WESTERN PACIFIC
RESOURCES CORP.

MANAGEMENT DISCUSSION AND ANALYSIS
For the year ended February 29, 2020

1. General

This Management's Discussion and Analysis ("MD&A") is intended to help the reader understand the audited annual consolidated financial statements of Western Pacific Resources Corp. ("the Company") for the year ended February 29, 2020. The following information, prepared as of June 16, 2020, should be read in conjunction with the Company's consolidated financial statements for the year ended February 29, 2020 and the related notes contained therein. The Company reports its financial position, results of operations and cash flows in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The reader is encouraged to review the Company's statutory filings on www.sedar.com and general corporate information.

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls to ensure that information used internally or disclosed externally, including the MD&A, is complete and reliable.

All currency amounts are expressed in Canadian dollars unless otherwise noted.

2. Forward Looking Information

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "will", "may", "should", "estimate", "intend", "expect", "anticipate" and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance.

Forward-looking statements are not historical facts, and include but are not limited to:

a) Estimates and their underlying assumptions;
b) Statements regarding plans, objectives and expectations with respect to the effectiveness of the Company's business model, future operations, the impact of regulatory initiatives on the Company's operations, and market opportunities;
c) General industry and macroeconomic growth rates;
d) Expectations related to possible joint or strategic ventures; and
e) Statements regarding future performance.

Forward-looking statements used in this MD&A are subject to various risks, uncertainties and other factors, most of which are difficult to predict and generally beyond the control of the Company. These risks, uncertainties and other factors may include, but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project, and other factors.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks, uncertainties and other factors, including the risks, uncertainties and other factors identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

3. Business of the Company

The Company is a Vancouver-based resource company seeking to acquire mineral properties in the Americas. The Company's principal focus is the acquisition of precious or base metal properties that are either producing assets or can be advanced to production relatively quickly. The company continues to pursue opportunities consistent with its strategy, but due to its financial position also continues to review its business strategy.

The Company's shares trade on the TSX Venture Exchange (the "TSXV") under the symbol "WRP".

4. Highlights

During and subsequent to the year ended February 29, 2020

On October 16, 2019, the Company completed a non-brokered private placement, consisting of 2,326,734 units at a price of $0.15, raising gross proceeds of $349,010. Each unit consists of one common share and one common share purchase warrant, with an exercise price of $0.20 for five years. The Company paid $8,190 in finders' fees.

On October 30, 2019, Jim Paterson resigned as Director. Consequently, Darryl Cardey was appointed as Director of the Company.

On February 2, 2020, 220,000 warrants were exercised for proceeds of $44,000.

On February 28, 2020, the Company received cash proceeds of $40,000 in advance of issuing 200,000 common shares, which were issued subsequent to year end (Note 12).

Subsequent to the year ended February 29, 2020, 2,106,734 warrants were exercised at a price of $0.20 for proceeds of $421,347.

On June 11, 2020, the Company completed a non-brokered private placement for gross proceeds of $1,500,000. The Company issued 7,500,000 units at a price of $0.20 per unit. Each unit is comprised of one common share, one-half of one Common Share purchase warrant exercisable at $0.35 for one year. The Company incurred $104,670 in cash finders' fees, and issued 523,350 in finders' warrants.

On June, 12, 2020, the Company announced it had completed an asset purchase agreement with Green Oil S.A., acquiring the legal and beneficial right, title and interest to the Julian Property, located in Ecuador. As consideration, Western Pacific issued to Green Oil and its nominees 6,000,000 common shares. The Company also paid a cash finder's fee of $92,500 to an arm's length third party.

On June 12, 2020, the Company announced it had appointed Luis Zapata as the new Chief Executive Officer, in place of Jeff Sundar.

During the year ended February 28, 2019

In August 2018, Arthur Brown resigned as Chairman and Director and Michael Callahan resigned as Chief Executive Officer, President and Director of the Company. Consequently, Jeff Sundar was appointed as Chief Executive Officer, President and Director and Jim Paterson was appointed as Director of the Company.

In October 2018, Jeff Dare was appointed as Director of the Company and Eddy Yu was appointed as Chief Financial Officer (see news release dated Oct 22, 2018 for more details).

During the year ended February 28, 2019, the Company granted lease rights to Rock Springs to Newmont USA Limited ("Newmont") for a term of ten years.

During the year ended February 28, 2019, the Company sold its remaining NSR interest in the Mineral Gulch property.

In the year ended February 28, 2019, the Company completed a consolidation of the Company's share capital on the basis of one (1) new share for every ten (10) existing shares and further a one (1) to four (4) consolidation. All references to common shares and stock options in this MD&A reflect the share consolidations.

5. Property Review

Nizi Property, British Columbia, Canada

In January 2019, the Company negotiated an option agreement with an arm's-length third party to earn a 100% interest in the Nizi Property ("Nizi") located northeast of the community of Dease Lake in British Columbia, with six main zones of high-grade gold-silver vein-hosted mineralization.

The following are the terms of the signed Nizi option agreement:

Due Date	Cash Payment	Shares
On or before February 28, 2019	$10,000 (paid)	160,000 (issued)*
On or before June 15, 2020	$100,000	
On or before June 15, 2021	$100,000	
On or before June 15, 2022	$100,000	
Total	**$310,000**	**160,000**

*160,000 shares were issued on March 8, 2019 subsequent to the year ended February 28, 2019. The fair value of the shares to be issued ($92,800) was accrued as of February 28, 2019.

As part of the agreement, the Company has committed to incur a total of $2,000,000 by October 15, 2023.

The Nizi property is subject to a 2.5% Net Smelter Royalty ("NSR"), of which 1% may be re-purchased for a cash payment of $2,000,000. This property is also subject to an Annual Royalty Payment commencing June 15th, 2022.

During the year ended February 29, 2020 the Company decided to not continue with the Nizi Property Option agreement, and wrote off the property to a value of $nil.

Rock Springs Property, Nevada, USA

The Rock Springs Property ("Rock Springs") consists of 10 claims located in Elko County, Nevada. The property lies 45 miles north of Newmont's Long Canyon property, along the northwest edge of the Bald Mountain/Pequop Trend which includes the Long Canyon project and the Mineral Gulch property.

During the year ended February 28, 2019, the Company granted lease rights to Rock Springs to Newmont USA Limited ("Newmont") for a term of ten years. As per the agreement, Newmont shall make the following payments:

Due Date	Payment Amount (US$)
October 18, 2018 (Effective date of the agreement)	$40,000 (received)
October 18, 2019 (First anniversary of the agreement)	$20,000 (received)
October 18, 2020 (Second anniversary of the agreement)	$20,000
October 18, 2021 (Third anniversary of the agreement)	$20,000
October 18, 2022 (Fourth anniversary of the agreement)	$20,000
October 18, 2023 and each anniversary thereafter until the lease terminates	$25,000

As per the agreement, the Company also retains a 1.5% Net Smelter Royalty ("NSR") on the production and sale of minerals from the Rock Springs Property. At any time prior to October 18, 2025, Newmont has the option to purchase one-third of the NSR for US$1,000,000 reducing the royalty payable to the Company to 1%.

Julian Property, Ecuador

On January 27, 2020, the Company entered into an asset purchase agreement (the "Asset Purchase Agreement") with Green Oil S.A. ("Green Oil") with respect to the acquisition of certain mineral claims located in Ecuador.

Pursuant to the terms of the Asset Purchase Agreement, Western Pacific will acquire Green Oil's legal and beneficial right, title and interest to a 2,312 hectare concession known as the Julian Property located in Ecuador. As consideration for the acquisition of the Property, Western Pacific will issue to Green Oil and its nominees 6,000,000 common shares in the capital of Western Pacific. The Company also paid a cash finder's fee of $92,500 to an arm's length third party.

6. Selected Annual Information

	2020 ($)	2019 ($)	2018 ($)
Interest income	242	88	183
Exploration expenditures	-	-	47,071
Operating loss	(305,731)	(377,532)	(456,398)
Net income (loss)	(377,516)	(331,877)	(487,677)
Loss and comprehensive loss	(0.14)	(0.21)	(0.31)
Share capital	11,590,317	11,112,697	11,112,697
Common shares issued	4,282,318	1,575,584	1,575,584
Weighted average shares outstanding	2,612,895	1,575,584	1,575,584
Total assets	64,654	119,781	52,011
Total current liabilities	658,306	760,737	458,546
Total non-current liabilities	-	-	-
Shareholders' equity (deficiency)	(593,652)	(640,956)	(406,535)
Cash dividends declared per common shares	-	-	-

7. Selected Quarterly Information

The following table provides information for the eight fiscal quarters ended February 29, 2020:

	Feb 29, 2020 ($)	Nov 30, 2019 ($)	Aug 31, 2019 ($)	May 31, 2019 ($)	Feb 28, 2019 ($)	Nov 30, 2018 ($)	Aug 31, 2018 ($)	May 31, 2018 ($)
Exploration expenditures	(2,469)[2]	-	2,469[2]	-	-	-	2,277[1]	-
General and administrative expenses	47,864	51,083	111,421	95,363	131,881	143,599	25,377	76,675
Net income (loss)	(148,314)	(50,937)	(82,937)	(95,328)	(131,948)	(106,673)	(32,540)	(60,716)
Basic and diluted income (loss) per share	(0.01)	(0.02)	(0.05)	(0.06)	(0.08)	(0.07)	(0.01)	(0.00)
Total assets	64,654	134,373	149,551	120,626	119,781	8,209	22,305	63,052
Total liabilities	658,306	663,711	968,772	856,910	760,737	610,017	517,874	528,192
Shareholders' equity (deficiency)	(593,652)	(529,338)	(819,221)	(736,284)	(640,956)	(601,808)	(495,569)	(465,140)

[1] The Exploration costs for the quarter ended August 31, 2018 relate to care and maintenance activities on properties currently and previously held.

[2] The Exploration costs for the quarters ended August 31, 2019, and February 29, 2020, relate to care and maintenance fees paid that were refunded.

8. Results of Operations

Three Months Ended February 29, 2020

For the three months ended February 29, 2020, the Company recorded a net loss of $148,314 compared to $131,948 for the quarter ended February 28, 2019, an increase of $16,366, with a reduction in General and administrative expenses offset by an exploration and evaluation impairment of $102,800.

General and administrative expenses for the three months ended February 29, 2020 totaled $47,864 as opposed to $131,881 for the comparative quarter of 2019, a decrease of $84,017. The difference between the quarters is mostly due to decreases in consulting fees (2020 - $20,350; 2019 – $57,000), management fees (2020 $Nil; 2019 – $27,000), and professional fees (2020 - $ 12,356; 2019 - $28,000). The lower expenses are a result of decreased operating and corporate activities during the quarter as compared to 2019.

There was a recovery of $2,469 in claims exploration expenses, relating to the refund of claims fees, during the quarter ended February 29, 2020. There were no exploration activities in the 2019 comparative quarter.

During the three months ended February 29, 2020 the Company decided to not continue with the Nizi Property Option agreement. The Company wrote off the property to a value of $nil, recognizing an impairment of $102,800.

Year Ended February 29, 2020

For the year ended February 29, 2020, the Company recorded a net loss of $377,516 compared to $331,877 for the year ended February 28, 2019, an increase of $45,639.

The current year's results include a total gain of $26,518 relating to a lease payment for the Rock Springs Property. The previous year results include a total gain of $54,490, relating to the sale of the Mineral Gulch NSR royalty ($20,579) and a lease payment for the Rock Springs Property ($33,911).

General and administrative expenses for the year ended February 29, 2020 totaled $305,731, as opposed to $377,532 for the comparative 2019 year, a decrease of $71,801. The difference is mainly due to a reduction in management fees (2020 – $63,000; 2019 - $98,275), professional fees (2020 – $34,151; 2019 - $75,350), and office and administration (2020 - $1,857; 2019 - $15,728). The lower expenses are a result of decreased operating and corporate activities during the year, as compared to 2019. These reductions were slightly offset by an increase in consulting fees (2020 - $160,350; 2018 – $114,000).

There were no other exploration activities during the year ended February 29, 2020 (2019 - $Nil).

During the year ended February 29, 2020 the Company decided to not continue with the Nizi Property Option agreement. The Company wrote off the property to a value of $nil, recognizing an impairment of $102,800.

9. Liquidity and Capital Resources

Years ended February 29, 2020 and February 28, 2019

As at February 29, 2020, current assets were $62,300 of which $46,849 was cash and $12,361 represented taxes receivable from the Government of Canada, while current liabilities totalled $658,306, resulting in a working capital deficiency of $596,006. Current liabilities include $401,003 of loans, consulting and directors' fees owed to directors.

Cash used in operating activities during the year ended February 29, 2020 was $370,057 (2019 - $40,664). The main causes of this change were payments made to related parties, and for general and administrative expenses.

Cash provided by investing activities for the year ended February 29, 2020 was $10,000 (2019 – $20,579). During the year ended February 29, 2020 the Company paid $10,000 in relation to the acquisition of the Nizi Property. During the year ended February 28, 2019, the Company sold its remaining NSR interest in the Mineral Gulch property for proceeds of $20,579.

Cash proceeds from financing activities for the year ended February 29, 2020 was $424,820 (2019 - $Nil). The Company raised $349,010 through a private placement abd incurred $8,190 in share issuance costs. The Company generated $40,000 from the exercise of warrants, and received received cash proceeds of $40,000 in advance of issuing common shares subsequent to year end (Note 12).

The Company also recorded a gain of $26,518 from the leasing out of its Rock Springs Property (2019 - $33,911).

Shareholders' equity

During the year ended February 28, 2019, the Company completed a consolidation of the issued shares and stock options outstanding on a one (1) new for ten (10) old basis at September 20, 2018 and on a one (1) new for four (4) old basis at November 6, 2018. As a result, the Company's issued shares were reduced to 1,575,584. All references to common shares and stock options in these consolidated financial statements reflect the share consolidation.

During the year ended February 29, 2020, 160,000 shares were issued in relation to the Nizi Property option agreement (Note 5).

During the year ended February 29, 2020, the Company completed a non-brokered private placement, consisting of 2,326,734 units at a price of $0.15 per unit, raising aggregate gross proceeds of $349,010. Each unit consists of one common share and one common share purchase warrant; permitting the holder to purchase one additional common share at a price of $0.20 for five years. The Company paid cash finders' fees in the aggregate amount of $8,190.

During the year ended February 29, 2020, 220,000 units were issued upon exercise of warrants for gross proceeds of $44,000.

Other

Actual funding requirements may vary from those previously planned due to a number of factors, including the progress of the Company's business activities and economic conditions. The Company's ability to continue as a going concern is dependent upon its ability to obtain the necessary capital to meet its obligations and repay its liabilities arising from normal business operations when they come due. While the Company has been successful in securing financings in the past, there is no assurance that it will be able to do so in the future.

10. Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern in order to advance its mineral properties. The Company defines its capital as shareholders' equity. The Company manages its capital structure and makes adjustments to it to effectively support the acquisition and exploration of mineral properties. The property in which the Company currently has an interest is in the exploration and development stage; as such, the Company is dependent on external financing to fund its activities. In order to pay for limited property care and maintenance and general administrative costs, the Company will spend its existing working capital.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's investment policy is to hold cash in interest-bearing bank accounts or highly liquid short-term interest-bearing investments with maturities of one year or less and which can be liquidated at any time without penalties. The Company is not subject to externally imposed capital requirements and does not have exposure to asset-backed commercial paper or similar products.

11. Financial Instruments and Risk Management

The Company is exposed to the following financial risks:

• Credit risk
• Liquidity risk
• Market risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This section describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

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 Board of Directors receive periodic reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

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.

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

a) Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its cash and other receivables. The Company limits exposure to credit risk by maintaining its cash with large financial institutions. The Company does not have cash invested in asset-based commercial paper.

b) Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying financial obligations as they become due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. All of the Company's other short-term financial liabilities have contractual maturities of less than 45 days and are subject to normal trade terms.

c) Market Risk

Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of financial instruments can be affected by changes in interest rates, foreign currency rates and other market prices. Management closely monitors commodity prices, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

i) Currency Risk

The Company is exposed to financial risk related to the fluctuation of foreign currency rates. The Company operates in Canada and the United States. A substantial portion of the Company's expenses are incurred in US dollars. A significant change in the currency exchange rate between the Canadian dollar relative to the US dollar could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations. As at February 29, 2020, the Company had the Canadian dollar equivalent of cash totalling $208 (February 28, 2019: $367) held in US dollars and liabilities totalling $25,920 (February 28, 2019: $25,000) owed in US dollars.

Based on the above net exposure as at February 29, 2020, and assuming all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against the US dollar would result in an increase/decrease of approximately $2,600 in the Company's net income (loss) and comprehensive income (loss) for the year ended February 29, 2020.

ii) Interest Rate Risk

Interest rate risk consists of two components:

A. To the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, the Company is exposed to interest rate cash flow risk.

B. To the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

As at February 29, 2020, the Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash held with Canadian financial institutions. The Company considers this risk to be immaterial.

iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk, currency risk, or equity price risk. The Company is not exposed to any other price risk.

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 carrying amounts for accounts payable and accrued liabilities and due to related parties approximate fair values 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.

Fair Value Hierarchy

Financial instruments that are measured subsequent to initial recognition at fair value are grouped in Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

12. Related Party Transactions

The Company's related parties with transactions during the year ended February 29, 2020 and 2019 consist of directors, officers and the following companies with common directors:

Related party	Nature of transactions
FT Management Ltd.	Short-term loan
J Dare Consulting Ltd.	Director fees
Sundar Consulting	Management fees
Jnr Management Corp.	Consulting Fees
CDM Capital Partners Inc.	Management fees and loans

Balances and transactions with related parties not disclosed elsewhere in these consolidated financial statements are described below:

i) Amounts due to related parties is as follows:

		February 29, 2020	February 28, 2019
Current officers	Management fees and expense reimbursements	$ 2,000	$ 57,039
Former officers	Professional fees	-	7,938
Current officers and directors	Directors', consulting fees and loans	399,003	374,403
		$ 401,003	$ 439,380

The amount of $401,003 representing directors' and consulting fees and loans includes the debt owed to former officers and directors. The debt was re-acquired from current and former officers, and from an advisor, by a current director.

During the February 29, 2020, $167,250 (2019: $nil) in loans was repaid to related parties.

ii) Key Management Compensation

Key management personnel are persons responsible for planning, directing and controlling the activities of the Company, and include certain of its directors and officers. Key management compensation, including amounts discussed above, comprises:

	Year ended February 29, 2020		Year ended February 28, 2019	
Management and professional fees	$	63,000	$	114,775
Salaries and benefits		-		11,250
Consulting fees		77,000		54,000
Directors' fees		25,000		29,550
Share-based payments		-		4,656
	$	**165,000**	**$**	**214,231**

13. Additional Disclosure for Venture Issuers Without Significant Revenue and Other Data

Additional disclosure concerning the Company's general and administrative expenses is provided in the Company's statement of loss and comprehensive loss contained in its financial statements for February 29, 2020, which are available on SEDAR: www.sedar.com.

Additional information related to the Company is available for viewing at www.sedar.com and on the Company's website at www.westernpacificresources.com

14. Share Position, and Outstanding Warrants and Options

The Company's outstanding share and option positions as at June 16, 2020 are as follows:

	Number of Shares/Options	Exercise Price	Expiry Date
Common shares	19,889,052		
Stock options	5,000	$15.20	July 25, 2020
	7,125	$22.80	July 12, 2021
	27,500	$2.00	March 21, 2022
Warrants	4,273,350	$0.35	June, 11, 2020
Fully diluted	**24,202,027**		

15. Adoption of New Accounting Standards and Amendments

As at the date of these financial statements, the following standards have been applied in these financial statements:

(i) IFRS 16 – New standard to establish principles for recognition, measurement, presentation and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019.

(ii) IFRIC 23 - New standard sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. IFRIC 23 requires an entity to determine whether uncertain tax positions are assessed separately or as a group; and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by an entity in its income tax filings. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

The adoption of the above standards did not have an impact on the consolidated financial statements of the Company.

16. Risks and Uncertainties

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, the Company's property does not have a known commercial ore deposit. The main operating risks include securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing; and obtaining permits for drilling and other exploration activities.

Title to Mineral Property Risks

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has diligently investigated and continues to diligently investigate and validate title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to properties it acquired will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mineral properties.

Commodity Price Risk

The Company is exposed to commodity price risk. Declines in the market price of gold, base metals and other minerals may adversely affect the Company's ability to raise capital in order to fund its ongoing operations or value it may obtain on disposition of an asset. Commodity price declines could also reduce the amount the Company would receive on the disposition of its mineral property to a third party.

Financing and Share Price Fluctuation Risks

The Company has limited financial resources, has no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of the Company's project may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its project which could result in the loss of its property.

Securities markets have at times in the past experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be exploration stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues and corresponding effect on the Company's financial position.

Political, Regulatory and Currency Risks

The Company is currently operating in a country that has a stable political and regulatory environment. However, changing political aspects may affect the regulatory environment in which the Company operates. A significant portion of the Company's expenditures are incurred in US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

In the course of exploration, development and production of mineral properties, the Company is subject to a number of hazards and risks in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the

Company’s properties or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company’s results and a decline in the value of the securities of the Company.

Environmental and Social Risks

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company’s operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present. Social risks are generally low in the principal country of operation of the Company but changing social expectations could add new layers of risk to the viability of exploration and development properties.

Competition

The Company competes with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

17. Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

18. Proposed Transactions

There are no proposed transactions.

19. Approval

The Board of Directors oversees management’s responsibility for financial reporting and internal control systems through an Audit Committee. This Committee meets periodically with management and annually with the independent auditors to review the scope and results of the annual audit and to review the annual financial statements before the financial statements are approved by the Board of Directors and submitted to the shareholders of the Company. The Board of Directors has approved the audited financial statements for the year ended February 29, 2020 and the disclosure contained in this MD&A. A copy of this MD&A will be provided to anyone who requests it.