

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the six months ended February 28, 2019 contains forward-looking information including forward-looking information about BlueBird Battery Metals Inc.'s (formerly Golden Peak Minerals Inc.) (the "Company" or "BlueBird") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the six months ended February 28, 2019 should be read in conjunction with the condensed consolidated interim financial statements as at February 28, 2019, and the audited financial statements as at August 31, 2018 and 2017. This MD&A is effective April 29, 2019. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed consolidated interim financial statements for the six months ended February 28, 2019 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

DESCRIPTION OF BUSINESS

The Company is an exploration stage company incorporated pursuant to the British Columbia *Business Corporations Act* on March 31, 2011. The principal business of the Company is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The Company changed its name from Golden Peak Minerals Inc. to BlueBird Battery Metals Inc. on April 17, 2018. The Company's shares are listed for trading on the TSX Venture Exchange ("TSX-V") under the symbol "BATT" and on the OTCQB under the symbol "BBBMF". The address of the Company's corporate office and its principal place of business is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6.

The Company is currently focusing its financial resources on conducting exploration programs. The Company has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development of the resource properties and upon future profitable production or proceeds from the disposition thereof.



(formerly Golden Peak Minerals Inc.)

Management Discussion and Analysis

For the Six Months Ended
February 28, 2019

EXPLORATION AND EVALUATION ASSETS

Total costs incurred on exploration and evaluation assets are summarized as follows:

| | Canegrass Property | Ashburton Property | Atikwa Lake / Maybrun Properties | Batt Property | Hemlo Properties | Total |
|--|--------------------|--------------------|----------------------------------|------------------|------------------|---------------------|
| Acquisition Costs | | | | | | |
| Balance, August 31, 2017 | \$ - | \$ - | \$ 725,953 | \$ - | \$ 2,290,022 | \$ 3,015,975 |
| Acquisition and option payments (cash) | 50,000 | 25,000 | - | 25,000 | - | 100,000 |
| Acquisition and option payments (shares) | 945,707 | - | - | 67,500 | 883,500 | 1,896,707 |
| Claim costs | - | - | 1,331 | - | 1,016 | 2,347 |
| Impairment | - | - | (17,000) | - | (3,174,538) | (3,191,538) |
| Balance, August 31, 2018 | 995,707 | 25,000 | 710,284 | 92,500 | - | 1,823,491 |
| Acquisition and option payments (shares) | - | 514,594 | - | - | - | 514,594 |
| Claim costs | - | 79,267 | 1,209 | - | - | 80,476 |
| Balance, February 28, 2019 | \$ 995,707 | \$ 618,861 | \$ 711,493 | \$ 92,500 | \$ - | \$ 2,418,561 |
| Deferred Exploration Expenditures | | | | | | |
| Balance, August 31, 2017 | \$ - | \$ - | \$ 181,046 | \$ - | \$ 914,383 | \$ 1,095,429 |
| Camp and other | 5,077 | 4,685 | 6,000 | - | 15,100 | 30,862 |
| Drilling | 90,933 | - | - | - | - | 90,933 |
| Geological | 114,911 | 3,335 | 84,350 | 48,629 | 13,750 | 264,975 |
| Geophysics | 63,972 | - | - | - | 158,523 | 222,495 |
| Impairment | - | - | (12,628) | - | (1,101,756) | (1,114,384) |
| Balance, August 31, 2018 | 274,893 | 8,020 | 258,768 | 48,629 | - | 590,310 |
| Camp and other (recovery) | 158 | - | (2,970) | - | - | (2,812) |
| Drilling | 254,746 | - | - | - | - | 254,746 |
| Geological | 99,282 | 3,190 | 10,800 | 21,657 | - | 134,929 |
| Geophysics | 123,834 | - | - | - | - | 123,834 |
| Currency translation difference | (965) | (37) | - | - | - | (1,002) |
| Balance, February 28, 2019 | \$ 751,948 | \$ 11,173 | \$ 266,598 | \$ 70,286 | \$ - | \$ 1,100,005 |
| Total Exploration and Evaluation Assets | | | | | | |
| Balance, August 31, 2018 | \$ 1,270,600 | \$ 33,020 | \$ 969,052 | \$ 141,129 | \$ - | \$ 2,413,801 |
| Balance, February 28, 2019 | \$ 1,747,655 | \$ 630,034 | \$ 978,091 | \$ 162,786 | \$ - | \$ 3,518,566 |

Canegrass Property

On March 15, 2018, the Company entered into an option agreement with Trafalgar Resources Pty. Ltd. (“Trafalgar”) to acquire a 100% interest in the Canegrass Property, located in the Mount Magnet region of Western Australia.

In consideration, the Company must make payments as follows:

- Cash payment of \$25,000 (paid) and issuance of 3,000,000 common shares of the Company (issued) upon approval by the TSX-V (approval received on March 21, 2018);
- Issuance of an additional 1,875,000 common shares of the Company on or before March 21, 2019 (issued and valued at \$553,125); and
- Issuance of an additional 1,875,000 common shares of the Company on or before March 21, 2020.

The Company must also incur exploration expenditures as follows:

- \$500,000 on or before March 21, 2019 (incurred);
- An additional \$1,000,000 on or before March 21, 2020; and
- An additional \$1,500,000 on or before March 21, 2021.

A finder’s fee of 261,058 shares (issued and valued at \$75,707) was paid in relation to the agreement. Subject to further TSX-V approval, a discovery bonus of 1,500,000 common shares of the Company will be issued in the event of discovery of a copper/cobalt equivalent resource of 250,000 ounces or greater on the Canegrass Property.

The Company also paid a \$25,000 letter of intent (“LOI”) fee to Trafalgar during the year ended August 31, 2018.

Phase One Exploration Program

On August 7, 2018, the Company reported the results of surface rock chips collected at VTEM-08 during the cultural survey of the planned drill sites, returning anomalous vanadium, titanium and iron values. The results fell within a broad, elongate, V₂O₅ surface anomaly defined by historical rock chip samples (refer to the press release dated August 7, 2018).

On October 23, 2018, the Company announced results for five reverse circulation holes drilled near VTEM-08. The holes were drilled on one section and spaced 80 metres between holes. The initial hole on the section BBRC001 targeted the VTEM-08 anomaly to evaluate for potential magmatic nickel, copper sulphide mineralization. The remaining four holes on the section targeted a broad, elongate, coincident rock geochemical surface anomaly (vanadium) and magnetic anomaly measuring 4,500 metres by 500 metres. Significant assay results were as follows:

| Hole ID | From (m) | To (m) | Interval ⁽¹⁾ (m) | V ₂ O ₅ (%) |
|--|----------|--------|-----------------------------|-----------------------------------|
| BBRC001 including and including | 0.00 | 102.00 | 102.00 | 0.36 |
| | 35.00 | 55.00 | 20.00 | 0.49 |
| | 64.00 | 81.00 | 17.00 | 0.78 |
| | 72.00 | 80.00 | 8.00 | 1.03 |

| Hole ID | From (m) | To (m) | Interval ⁽¹⁾ (m) | V ₂ O ₅ (%) |
|----------------|----------|--------|-----------------------------|-----------------------------------|
| BBRC002 | 0.00 | 121.00 | 121.00 | 0.31 |
| including | 38.00 | 61.00 | 23.00 | 0.46 |
| and | 100.00 | 119.00 | 19.00 | 0.53 |
| including | 110.00 | 119.00 | 9.00 | 0.68 |
| BBRC003 | 0.00 | 85.00 | 85.00 | 0.16 |
| including | 32.00 | 34.00 | 2.00 | 0.48 |
| BBRC004 | 25.00 | 78.00 | 53.00 | 0.23 |
| including | 39.00 | 42.00 | 3.00 | 0.39 |
| and | 62.00 | 63.00 | 1.00 | 0.63 |
| BBRC005 | 8.00 | 63.00 | 55.00 | 0.21 |
| including | 30.00 | 38.00 | 8.00 | 0.58 |
| including | 35.00 | 38.00 | 3.00 | 0.88 |

(1) The intervals noted in the above table are measured downhole and are not true width. There is insufficient information at this time to determine the true width of the mineralized zone.

On November 29, 2018, the Company announced results from five diamond drill holes. All holes during the Phase One drill program targeted VTEM™ anomalies. The diamond drill campaign consisted of 1,380 metres and all holes intersected anomalous Ni, Cu and Co grades, establishing a trend with a 4,500-metre strike length within the magnetite-rich gabbro-norites. Significant assay results are presented in the following table:

| Hole ID | From (m) | To (m) | Interval ⁽²⁾ (m) | Ni (%) | Cu (%) | Co (%) | Target |
|----------------|----------|--------|-----------------------------|--------|--------|--------|---------|
| BBDD001 | 142.96 | 144.66 | 1.70 | 1.20 | 0.41 | 0.10 | VTEM-06 |
| including | 144.09 | 144.66 | 0.57 | 3.07 | 0.62 | 0.24 | |
| BBDD002 | 243.15 | 257.40 | 14.25 | 0.69 | 0.82 | 0.05 | CG-039 |
| including | 250.80 | 255.70 | 4.90 | 1.33 | 1.26 | 0.10 | |
| BBDD003 | 225.80 | 227.00 | 1.20 | 0.48 | 0.98 | 0.06 | CG-02 |
| BBDD004 | 275.00 | 279.00 | 4.00 | 0.25 | 0.41 | 0.05 | CG-02 |
| including | 277.85 | 279.00 | 1.15 | 0.37 | 0.70 | 0.08 | |
| BBDD005 | 255.70 | 263.00 | 7.30 | 0.14 | 0.31 | 0.02 | CG-02 |
| including | 256.75 | 257.15 | 0.40 | 0.50 | 1.51 | 0.06 | |

(2) The intervals noted in the above table are measured downhole and are not true width. There is insufficient information at this time to determine the true width of the mineralized zone.

The technical content in this MD&A has been reviewed and approved by Wesley Hanson, P.Geo., a director of the Company and a Qualified Person pursuant to National Instrument (“NI”) 43-101 *Standards of Disclosure for Mineral Projects*.

Ashburton Project

On August 8, 2018, the Company entered into an agreement to acquire a 100% interest in the Ashburton Project, located in Western Australia. In consideration, the Company must make payments as follows:

- Issuing common shares of the Company upon completion with a volume weighted average price (“VWAP”) over a 30-day period of \$750,000 (issued and valued at \$514,594 based on the trading price at the date of issuance); and
- Issuing common shares of the Company with a VWAP over a 30-day period of \$750,000 on October 9, 2019.

The Company also paid a \$25,000 LOI fee to the vendor during the year ended August 31, 2018.

On February 22, 2019, the Company announced initial sampling results at the Ashburton Project. The rock chip sampling results are included in the table below:

| Sample | Easting | North | Co ppm | Cu ppm | Fe % | Mn% | Ni ppm | Zn ppm |
|----------|---------|-----------|--------|--------|-------|--------|--------|--------|
| CAPR042 | 434,478 | 7,412,365 | 4214 | 935 | 15.28 | 11.978 | 546 | 569 |
| CAPR024B | 430,184 | 7,414,361 | 2095 | 735 | 1.02 | 27.815 | 92 | 841 |
| CAPR024A | 430,184 | 7,414,361 | 1333 | 452 | 2.42 | 20.72 | 61 | 516 |
| CAPR0442 | 488,470 | 7,380,690 | 924 | X | 3.5 | 22.006 | 26 | 93 |
| 109682 | 480,684 | 7,386,325 | 646 | 385 | 38.6 | 5.5351 | 925 | 815 |
| CAPR0437 | 480,925 | 7,385,865 | 467 | 139 | 5.37 | 4.1811 | 396 | 384 |
| CAPR0461 | 513,000 | 7,365,230 | 247 | 35 | 43.2 | 0.4721 | 598 | 2428 |
| 109681 | 480,702 | 7,386,075 | 185 | 173 | 5.78 | 1.7243 | 47 | 57 |
| 109687 | 479,239 | 7,386,866 | 153 | 136 | 22.94 | 1.6214 | 256 | 304 |
| 109691 | 479,125 | 7,387,008 | 152 | 125 | 10.67 | 1.2949 | 135 | 158 |

Atikwa Lake / Maybrun Properties

The Atikwa Lake Property is located in northwestern Ontario in the Rainy River district, an emerging gold camp. The Company has assembled a land position centered around the Maybrun Mine, a past-producing gold-copper deposit.

On February 4, 2016, the Company entered into an agreement to acquire a 100% undivided interest in 20 mineral claims located in Ontario. As consideration, the Company issued 75,000 common shares of the Company at a value of \$60,000.

In March 2017, an additional five claims were acquired for \$6,480.

On April 7, 2017, the Company entered into an agreement to acquire a 100% interest in the Maybrun Property located in Ontario. As consideration, the Company issued 1,200,000 common shares at a value of \$600,000 and paid \$40,000 in cash.

The vendors retained a 2% net smelter return royalty (“NSR”) on the property. The Company has the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

On June 19, 2017, the Company entered into an option agreement to acquire additional claims on the Atikwa Lake Property. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 25,000 common shares of the Company (issued) and making a cash payment of \$10,000 (paid) upon approval by the TSX-V;

- Issuing 25,000 common shares of the Company and making a cash payment of \$25,000 by June 23, 2018;
- Issuing 50,000 common shares of the Company and making a cash payment of \$35,000 by June 23, 2019; and
- Issuing 85,000 common shares of the Company and making a cash payment of \$60,000 by June 23, 2020.

The Company was also required to incur exploration expenditures on the additional claims as follows:

- \$50,000 on or before June 19, 2018;
- An additional \$75,000 on or before June 19, 2019; and
- An additional \$150,000 on or before June 19, 2020.

The vendors retained a 2% NSR on the property. The Company had the option to purchase 1% of the 2% NSR (one-half) at a price of \$1,000,000.

On April 6, 2018, the Company provided termination notice to the vendors of the June 19, 2017 option agreement. The Company recorded an impairment of \$29,628 as a result of the termination.

Batt Property

On March 26, 2018, the Company entered into an option agreement with Strategic Metals Ltd. ("Strategic") to acquire an 80% interest in the Batt Property, located in Yukon Territory. In consideration, the Company paid cash of \$25,000 and issued 250,000 common shares of the Company valued at \$67,500.

The Company must also incur exploration expenditures as follows:

- \$50,000 on or before March 31, 2019 (incurred);
- An additional \$150,000 on or before March 31, 2020; and
- An additional \$300,000 on or before March 31, 2021.

Strategic retains a 1% NSR on the property. In the case the option agreement terms are met, a joint venture ("JV") will be formed between the Company and Strategic. Should Strategic's JV participation drop below 10%, the NSR will increase to 2%. At that time, the Company may repurchase 1% (one-half) of the NSR for \$1,000,000, subject to further TSX-V approval.

Hemlo Properties

Heikki Property

On October 28, 2016, and as amended November 17, 2017, the Company entered into four option agreements to acquire the Esa, Kulta, Seija and Soturi properties, collectively, the Heikki Property, located in Ontario. Under the terms of the option agreements, the Company could earn a 100% interest by making payments as follows:

- Issuing 2,600,000 common shares of the Company (issued and valued at \$1,040,000) and making a cash payment of \$105,000 (paid) upon approval by the TSX-V;
- Issuing 3,100,000 common shares of the Company by January 31, 2018 (issued); and
- Issuing 1,750,000 common shares of the Company by November 17, 2018.

The vendors retained a 3% NSR on the properties. The Company had the option to purchase 1% of the 3% NSR (one-third) at a price of \$500,000.

On August 9, 2017, the Company announced initial results of a completed airborne VTEM™ survey and the completion and filing of the initial NI 43-101 Technical Report on the Heikki Property.

NI 43-101 Technical Report Highlights:

- The Report, based on positive merits of the project and exploration potential, recommends:
 - Completion of a \$2.6 million, two-phase exploration program that includes airborne and surface geophysics, regional and local scale geological mapping and sampling (Phase 1) followed by compilation, interpretation and diamond drilling (Phase 2).
- The Report also provides a recommendation that the area where the metasedimentary and intermediate/mafic volcanic rocks are in contact with the Cedar Lake Pluton is a prime exploration target.

The Company filed the Report entitled *N.I. 43-101 Technical Report on the Heikki Hemlo Property* dated July 17, 2017. The Report was authored by independent consultants Peter Caldbick, P.Geo. and J. Garry Clark, P.Geo. The Report is available on SEDAR (www.sedar.com) under the Company's profile.

On April 6, 2018, the Company provided termination notice to the vendors of the Heikki Property. The Company issued 3,100,000 common shares of the Company valued at \$883,500 in relation to the January 31, 2018 payment. The Company recorded an impairment of \$2,997,499 as a result of the termination.

Hemlo East

On January 27, 2017, the Company entered into an option agreement to acquire the Hemlo East Property, located in Ontario. Under the terms of the option agreement, the Company could earn a 100% interest by making payments as follows:

- Issuing 750,000 common shares of the Company (issued and valued at \$352,500) and making a cash payment of \$100,000 (paid) upon approval by the TSX-V;
- Issuing 500,000 common shares of the Company and making a cash payment of \$100,000 by February 8, 2018;
- Issuing 500,000 common shares of the Company and making a cash payment of \$100,000 by February 8, 2019; and
- Issuing 500,000 common shares of the Company and making a cash payment of \$40,000 by February 8, 2020.

The Company was also required to incur exploration expenditures on the property as follows:

- \$600,000 on or before January 27, 2018;
- An additional \$600,000 on or before January 27, 2019; and
- An additional \$600,000 on or before January 27, 2020.

The vendor retained a 2.5% NSR on the property. The Company had the option to purchase 0.5% of the 2.5% NSR (one-fifth) at a price of US \$1,000,000.

On January 31, 2018, the Company provided termination notice to the vendor of the Hemlo East Property. The Company recorded an impairment of \$591,195 as a result of the termination.

Hemlo East Extension and Hemlo West

On May 31, 2017, and as amended December 18, 2017 and January 31, 2018, the Company entered into two agreements to acquire additional claims in the Hemlo area. Under the terms of the agreements, the Company could earn a 100% interest by making payments as follows:

- Issuing 2,200,000 common shares of the Company upon approval by the TSX-V (issued and valued at \$682,000); and
- Issuing 1,000,000 common shares of the Company and making a cash payment of \$500,000 by March 2, 2018.

The vendors retained a 2% NSR on each property. The Company had the option to purchase 1% of each 2% NSR (one-half) at a price of \$1,000,000 each.

On April 6, 2018, the Company provided termination notice to the vendors of the Hemlo East Extension Property and Hemlo West Property. The Company recorded an impairment of \$687,600 as a result of the terminations.

SELECTED ANNUAL INFORMATION

| | August 31, 2018 \$ | August 31, 2017 \$ | August 31, 2016 \$ |
|----------------------------------|--------------------------|--------------------------|--------------------------|
| Revenue | - | - | - |
| Net loss | (6,300,245) | (1,751,417) | (575,236) |
| Basic and diluted loss per share | (0.22) | (0.14) | (0.37) |
| Total assets | 2,836,018 | 4,365,163 | 400,988 |
| Long-term debt | - | - | - |
| Dividends | - | - | - |

SUMMARY OF QUARTERLY RESULTS (\$000s except loss per share)

| For the Quarter Periods Ending on | February 28, 2019 \$ | November 30, 2018 \$ | August 31, 2018 \$ | May 31, 2018 \$ |
|---|----------------------------|----------------------------|--------------------------|-----------------------|
| Revenue | - | - | - | - |
| Net loss | (744) | (422) | (934) | (1,033) |
| Basic and diluted loss per common share | (0.02) | (0.01) | (0.02) | (0.03) |

| For the Quarter Periods Ending on | February 28, 2018 \$ | November 30, 2017 \$ | August 31, 2017 \$ | May 31, 2017 \$ |
|---|----------------------------|----------------------------|--------------------------|-----------------------|
| Revenue | - | - | - | - |
| Net loss | (4,214) | (119) | (788) | (574) |
| Basic and diluted loss per common share | (0.16) | (0.01) | (0.04) | (0.04) |

OPERATIONS

Three Months Ended February 28, 2019

During the three months ended February 28, 2019, the Company reported a net loss of \$744,009 (2018 - \$4,214,221). Variations in expenses from the three months ended February 28, 2019 to the three months ended February 28, 2018 were as follows:

- Consulting fees of \$94,000 (2018 - \$219,917) decreased as the Company engaged fewer consultants compared to the prior period;
- Foreign exchange loss of \$25,295 (2018 - \$nil) resulting from cash and payables balances denominated in Australian dollars;
- Management fees of \$85,000 (2018 - \$20,000) increased as additional management were added in the latter part of the 2018 fiscal year and continued into the February 28, 2019 quarter;
- Office and general of \$7,696 (2018 - \$7,120) was comparable to the prior period;
- Professional fees of \$14,769 (2018 - \$12,218) were comparable to the prior period;
- Rent of \$9,000 (2018 - \$9,000) was comparable to the prior period;
- Share-based payments of \$423,555 (2018 - \$nil) was the result of options granted in 2019, while none were granted during the comparative period;
- Shareholder communications and investor relations of \$53,987 (2018 - \$910) was the result of increased promotional activity for the Company in 2019;
- Transfer agent and filing fees of \$9,557 (2018 - \$9,682) were comparable to the prior period;
- Travel of \$21,150 (2018 - \$1,452) increased as a result of travel to Australia and for promotional activity; and
- Impairment of exploration and evaluation assets of \$nil (2018 - \$3,933,922) is the result of the Company writing off the Hemlo properties and a portion of the Atikwa/Maybrun property in the comparative period.

Six Months Ended February 28, 2019

During the six months ended February 28, 2019, the Company reported a net loss of \$1,165,509 (2018 - \$4,333,539). Variations in expenses from the six months ended February 28, 2019 to the six months ended February 28, 2018 were as follows:

- Consulting fees of \$250,188 (2018 - \$322,444) decreased as the Company engaged fewer consultants compared to the prior period;
- Foreign exchange loss of \$15,450 (2018 - \$nil) resulting from cash and payables balances denominated in Australian dollars;
- Management fees of \$182,500 (2018 - \$35,000) increased as additional management were added in the latter part of the 2018 fiscal year and continued into the February 28, 2019 quarter;
- Office and general of \$22,728 (2018 - \$14,405) increased due to more exploration activity in the current period resulting in higher office and general expenses;
- Professional fees of \$60,549 (2018 - \$12,218) increased due to legal fees related to property acquisitions in Australia;
- Rent of \$18,000 (2018 - \$18,000) was comparable to the prior period;
- Share-based payments of \$467,752 (2018 - \$nil) was the result of options granted in 2019, while none were granted during the comparative period;
- Shareholder communications and investor relations of \$95,898 (2018 - \$9,145) was the result of increased promotional activity for the Company in 2019;
- Transfer agent and filing fees of \$12,775 (2018 - \$12,234) were comparable to the prior period;
- Travel of \$39,669 (2018 - \$1,452) increased as a result of travel to Australia and for promotional activity;
- Impairment of exploration and evaluation assets of \$nil (2018 - \$3,933,922) is the result of the Company writing off the Hemlo properties and a portion of the Atikwa/Maybrun property in the comparative period; and
- Other income of \$nil (2018 - \$25,338) relates to the reduction of other liability (which reflects the premium paid by investors on the Company's 2016 flow-through share grant) upon completion of qualifying exploration expenditures by the Company.



Management Discussion and Analysis

**For the Six Months Ended
February 28, 2019**

LIQUIDITY AND CAPITAL RESOURCES

The Company's cash at February 28, 2019 was \$23,707, compared to \$260,836 at August 31, 2018. The working capital deficit was \$678,394 (August 31, 2018 - working capital of \$2,574).

The Company will need to raise additional financing in order to meet general working capital requirements for the 2019 fiscal year and to make option payments and continue exploration on its mineral properties. Subsequent to February 28, 2019, the Company received proceeds of \$112,250 on the exercise of 748,333 warrants.

SUBSEQUENT EVENTS

The following subsequent events are not discussed elsewhere in this MD&A:

- Subsequent to February 28, 2019, the Company issued 1,875,000 common shares for the Canegrass Property.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has not entered into any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed consolidated interim statements of comprehensive loss:

| | Six Months Ended February 28, 2019 | Six Months Ended February 28, 2018 |
|----------------------|---|---|
| Consulting fees | \$ 22,688 | \$ - |
| Geological | \$ 8,250 | \$ 87,500 |
| Management fees | \$ 182,500 | \$ 35,000 |
| Share-based payments | \$ 197,385 | \$ - |

Key management includes directors and officers of the Company, including the Chief Executive Officer, President and Chief Financial Officer.

During the six months ended February 28, 2019, the Company paid:

- \$18,000 (2018 - \$18,000) in rent to a company with common officers;
- \$42,000 (2018 - \$nil) in consulting fees to a private company controlled by an officer; and
- \$18,000 (2018 - \$nil) in office expenses to a private company controlled by an officer.

As at February 28, 2019, included in accounts payable and accrued liabilities is \$146,032 (August 31, 2018 - \$31,465) due to directors and officers of the Company.

As at February 28, 2019, included in loan payable is \$100,000 (August 31, 2018 - \$nil) due to a private company controlled by an officer. The amount is non-interest-bearing and without terms of repayment.

COMMITMENTS

The Company is obligated to make certain payments and issue shares in connection with the acquisition of its exploration and evaluation assets.

NEW ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee that are mandatory for accounting periods noted below. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

IFRS 16 Leases

On January 13, 2016, the IASB issued IFRS 16. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. This standard substantially carries forward the lessor accounting requirements of IAS 17 *Leases*, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. The new standard is effective for annual periods beginning on or after January 1, 2019. Earlier application is permitted for entities that apply IFRS 15 *Revenue from Contracts with Customers* at or before the date of initial adoption of IFRS 16.

The Company has not yet begun the process of assessing the impact that the new and amended standard will have on its condensed consolidated interim financial statements or whether to early-adopt any of the new requirements.

CRITICAL ACCOUNTING POLICIES

Critical judgments in applying accounting policies

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the condensed consolidated interim financial statements within the next financial year are discussed below.

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation assets or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. The condensed consolidated interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the condensed consolidated interim financial statements.

Key sources of estimation uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in material adjustments to the condensed consolidated interim financial statements.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made, which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at February 28, 2019, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

Valuation of flow-through premium

The determination of the valuation of flow-through premium and warrants in equity units is subject to significant judgment and estimates. The flow-through premium is valued as the estimated premium that investors pay for the flow-through feature, being the portion in excess of the market value of shares without the flow-through feature issued in concurrent private placement financing. In the case that the Company did not issue non-flow-through shares together with the flow-through shares, the market value of shares without the flow-through feature will be determined using their closing quoted bid price.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash and accounts payable. Cash is classified as fair value through profit or loss. Accounts payable is classified as other financial liabilities. The carrying values of these instruments approximate their fair values due to the relatively short periods to maturity of these instruments.

Financial risk management objectives and policies

The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

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 financial instrument that potentially subjects the Company to concentrations of credit risk consists principally of cash. To minimize the credit risk on cash, the Company places its cash with a major Canadian financial institution.

Liquidity risk

The Company manages liquidity risk by maintaining a balance between continuity of funding and flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations. As at February 28, 2019, the Company had cash of \$23,707 (August 31, 2018 - \$260,836) to settle accounts payable and accrued liabilities of \$649,007 (August 31, 2018 - \$419,643), which fall due for payment within 30 days of February 28, 2019. All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – Currency risk is the risk that the fair value or future cash flows will fluctuate as a result of changes in foreign exchange rates. The Company has operations in Canada and Australia and incurs operating and exploration expenditures in both currencies. The fluctuation of the Canadian dollar in relation to the Australian dollar will have an impact upon the results of the Company. A fluctuation in the exchanges rates between the Canadian and Australian dollars of 10% would result in a change to the Company's cash of \$25 and accounts payable

and accrued liabilities of \$16,000. The Company does not use any techniques to mitigate currency risk.

- ii) *Interest rate risk* – The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant, as the deposits are short-term. The Company has not entered into any derivative instruments to manage interest rate fluctuations. The Company has no interest-bearing financial liabilities.
- 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. The Company does not have significant exposure to this risk.

SHARE CAPITAL

As at April 29, 2019, the Company had the following securities issued and outstanding:

| | April 29, 2019 | February 28, 2019 | August 31, 2018 |
|----------------------|-------------------|----------------------|--------------------|
| Common shares | 50,198,379 | 47,575,046 | 42,502,049 |
| Warrants | 10,537,335 | 11,285,668 | 14,841,405 |
| Stock options | 4,500,000 | 4,500,000 | 3,300,000 |
| Fully diluted shares | 65,235,714 | 63,360,714 | 60,643,454 |

BOARD OF DIRECTORS

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest that they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

Current directors of the Company are as follows:

Nav Dhaliwal, CEO and Director
Wesley Hanson, Director
Leigh Hughes, Director