Management's Discussion and Analysis

February 28, 2019

Rugby Mining Limited

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For the year ended February 28, 2019

June 27, 2019

In this document: (i) unless the content otherwise requires, references to "our", "we", "us", "its", "the Company" or "Rugby" mean Rugby Mining Limited and its subsidiaries; (ii) information is provided as of February 28, 2019, unless otherwise stated; and (iii) "$" refers to Canadian Dollars, "US$" refers to US dollars and "A$" refers to Australian dollars.

All amounts are expressed in Canadian dollars unless otherwise noted. Any additional information relating to the Company, is available for viewing on SEDAR at www.sedar.com and/or the Company's website at www.rugbymining.com.

Description of Business and Going Concern

Rugby is an emerging mineral resource company exploring for gold, silver and copper.

The Company was incorporated on January 24, 2007. The Company has its primary listing on the TSX Venture Exchange (the "TSX-V"). The Company's head office is located at 810 - 789 West Pender Street, Vancouver, BC, Canada, V6C 1H2.

The results of the most recently completed financial year are set out in the Company's audited consolidated financial statements for the year ended February 28, 2019. This MD&A should be read in conjunction with the accompanying audited consolidated financial statements and notes for the year ended February 28, 2019, which are available on the Company's website at www.rugbymining.com and on the SEDAR website at www.sedar.com. The Company has prepared these audited consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The Company began the year with 70,345,833 common shares outstanding and ended the year with 76,766,547 common shares outstanding.

Going Concern

The Company's audited consolidated financial statements have been prepared in accordance with International Financial Reporting Standards 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. Several adverse conditions and material uncertainties may cast significant doubt upon the validity of this assumption. The Company has no source of operating revenue, is unable to self-finance operations, and has significant cash requirements to maintain its mineral interests (see Projects below) and overhead requirements. The Company has incurred operating losses since inception. As at February 28, 2019, the Company had an accumulated deficit of $27,375,859 (2018 - $25,108,139) and working capital of $394,769 (2018 - $295,665). In addition, if the Company is to advance or develop its projects, it will be necessary to obtain additional financing. Although management has been successful in the past in raising capital, there are no assurances that the company will be successful raising capital in the future. The Company plans to raise additional equity in order to obtain funding required to meet on-going expenditures during the fiscal year.

If the going concern assumption was not appropriate in the preparation of the Company's consolidated statements then adjustments would be necessary to the carrying value of assets and liabilities, the reported expenses and the balance sheet classifications used, and such adjustments would be material.

Subsequent to February 28, 2019, on March 15, 2019, the Company completed a non-brokered private placement financing consisting of 6,588,331 units (the "Units") at a price of $0.18 per Unit for gross proceeds of $1,185,900. Each Unit consisted of one (1) common share and one half (0.5) common share purchase warrant (a "Half Warrant"). Each full warrant (two (2) Half Warrants together) entitles the holder thereof to purchase one (1) additional common share of the Company at an exercise price of $0.30 until March 20, 2020. The Company paid $11,410 as finder's fees in connection with the financing which was charged to share capital.

Additionally, on March 26, 2019, pursuant to the amended Mabuhay option agreement, the Company issued 365,000 common shares at a deemed price of $0.18 per share to settle the initial staged payment of US$50,000.

Projects

Motherlode Gold Copper Project, Philippines

The Motherlode (formerly the Mindanao Motherlode Gold Mine) is located in the centre of the broader Mabuhay project area comprising 878 hectares and situated 12 kilometres south of Surigao City, the capital city of the province of Surigao del Norte, Philippines. The Motherlode Gold Mine was an epithermal vein style bonanza-grade gold mine that is estimated to have produced around 500,000 ounces of gold from 1937 through to 1953. Motherlode, which was once one of the Philippines' highest grade gold producers, is located in the center of the project's tenements.

On October 5, 2010, the Company announced it had entered into agreements with Pelican Resources Limited ("Pelican"), an ASX listed company, and All-Acacia Resources Inc. ("All-Acacia"), a Philippine company over the Mabuhay project in the Philippines. The agreement with Pelican and its Philippine subsidiary, SunPacific Resources Philippines, Inc. ("SunPacific"), together with the agreement with All-Acacia (collectively, the "Mabuhay Agreement") grant the Company the right and option ("Mabuhay Option") to earn an 80% interest in the Mabuhay project. Pursuant to the terms of the Mabuhay Agreement, the Company paid signature fees totaling US$70,000.

In April 2016, the Company purchased all of Pelican and Sun Pacific's residual interest in Mabuhay for A$10,000 and consequently, they have no remaining interest in Mabuhay.

As a result of a Philippine government moratorium on the granting of new Mineral Production Sharing Agreements ("MPSA") pending legislation enacting a revised revenue sharing scheme, the Company along with All-Acacia signed an amended Mabuhay Agreement (the "Amended Mabuhay Agreement") to allow for the conversion of the MPSA Application to an Exploration Permit Application ("EPA"). In July 2018, the Company received conditional approval of the Exploration Permit ("EP") with final approval received in January 2019. In February 2019, Rugby and All-Acacia amended the terms of the option agreement. This amended agreement provides that payments pursuant to the option agreement can be settled with cash or shares at the Company's election.

In order to maintain its option, the Company is required to make the following staged payments totaling US$250,000 to All-Acacia over two years from the grant date of the EP:

(i) US$50,000 Initial Payment (paid);
(ii) US$100,000 within 12 months of the Initial Payment; and
(iii) US$100,000 within 24 months of the Initial Payment.

Additionally, the Company is required to incur the following staged expenditures totaling US$4.5 million over six years from the grant date of the EP, and complete a pre-feasibility study to earn its interest and exercise its Mabuhay Option:

(i) US$250,000 within 12 months of the Initial Payment;
(ii) US$500,000 within 24 months of the Initial Payment;
(iii) US$750,000 within 36 months of the Initial Payment;
(iv) US$1,000,000 within 48 months of the Initial Payment;
(v) US$1,000,000 within 60 months of the Initial Payment; and
(vi) US$1,000,000 within 72 months of the Initial Payment.

In the event that the Company exercises the Mabuhay Option, it will be required to make an additional US$175,000 payment to All-Acacia within 30 days from the grant and registration with the appropriate Mines and Geosciences Bureau Regional Office of the appropriate mineral agreement (MPSA or Financial and Technical Assistance Agreement) on the property.

Upon the exercise of the Mabuhay Option, All-Acacia and the Company have agreed to form a joint venture with respect to the development of and conduct of mining operations on the property and on each anniversary date thereafter, the Company must pay an additional US$200,000 to All-Acacia towards All-Acacia's pro-rata share of expenditures until commencement of production from the Mabuhay project.

The Otway Project, Australia

On June 1, 2016, Rugby announced that it had acquired a 100% interest in the Otway project, for a nominal cash consideration plus a 2% NSR. The Otway project comprises two mineral property concession applications which cover prospective areas for copper and gold mineralization in the NW of Western Australia. The Otway concessions were granted in July 2017 and now comprise two contiguous exploration licences covering 134 square kilometres.

Colombia Gold Projects

a) Regional Applications, Colombia

On June 1, 2016, Rugby announced that it had acquired an extensive portfolio of both granted exploration concessions and applications covering approximately 845 square km in Colombia for a nominal cash consideration.

The portfolio comprises numerous projects including la Pastora project which is located in the Bucaramanga belt and some others located in the mid-Cauca gold-copper porphyry belt. These belts are considered prospective for both epithermal and porphyry gold mineralization. Importantly, the database includes regional scale geochemical and geophysical data over a larger area than just that of the concessions and applications acquired.

The Acquisition Agreement

Under the terms of the agreement, Rugby acquired 100% of a local Colombian company for nominal cash consideration. No residual rights to the subsidiary or the Colombian properties were retained by the former owners.

b) The San Antonio Gold Project, Colombia (“San Antonio”)

On October 19, 2016, the Company announced that it had entered into an option agreement with a private Colombian company to earn a 100% interest, subject to a 1% NSR in San Antonio. San Antonio is situated approximately 80km south of Medellin in the Mid-Cauca Gold District.

On November 7, 2018, the Company relinquished its option over the San Antonio project as drilling results were below expectations.

Cobrasco Copper Project, Colombia “Cobrasco”

The Cobrasco concessions, located 100 kilometres (“km”) southwest of Medellin in the Choco Region of Colombia, cover 3,000 hectares (“ha”) and were purchased in April 2013. They are 100% owned by Rugby subject to a 1% net smelter royalty (“NSR”).

The area’s geological potential was first recognized during the 1980’s by a German government (“BGR”) reconnaissance exploration program which identified extensive and strongly anomalous copper stream sediment geochemistry which defined outcropping copper porphyry style mineralization.

Cobrasco is situated within undulating terrain with elevation ranging up to 900 metres (“m”). Mineralization is hosted by a sequence of felsic tuffs, proximal to and immediately west of the contact with a number of syenite to monzonite intrusives. Previous exploration by the BGR indicates potential for an enriched supergene blanket containing chalcocite after bornite, cuprite, malachite and native copper. Molybdenite was also observed. Alteration appears similar to other large porphyry copper systems where primary magnetite is replaced by hematite (martitization). Mineralized outcrops of stockwork quartz-bornite veining occur within the property. To date, no systematic modern exploration or drilling has been conducted on the property.

Significantly, the Company has completed a Consulta Previa (“CP”) agreement with the local Cocomacia communities which provides exploration access to the Cobrasco concession area for a period of ten years. The agreement is broadly based and provides for economic assistance to the local community as well as social development programs. The CP consultation process was carried out by the Company, Cocomacia and local community leaders under the supervision of the Colombian Ministry of the Interior. This is the first successful mineral exploration CP to be carried out in Choco Province.

The Company filed the necessary application to allow for drilling in November 2017 and at the request of the authorities submitted additional technical information including a geophysical survey to identify underground water resources in August 2018. Subsequent to February 28, 2019, on April 29, 2019, Rugby announced that its drilling permit application for the Cobrasco project had been denied by the Forestry Department, a division within the Colombian Ministry of the Environment. The Company is appealing the decision. As a result of the permit application denial, the Company decided to write-down the project to $nil and recorded an impairment expense of $87,241 (2018 - $nil).

Comita Copper Project, Colombia

The Company had the option until October 20, 2018 to acquire an indirect 40% interest in the Comita project by incurring US$10 million in exploration expenditures. Expenditure incurred on Comita to October 20, 2018 totalled approximately US$2.02 million. Consequently on October 20, 2018, the option terminated. The Company has no further rights nor liabilities related to Comita.

Selected Information

The following is a summary of yearly results taken from the annual audited consolidated financial statements:

		2019		**2018**		2017
Interest income	$	**495**	$	10,671	$	13,802
Project evaluation costs	$	**1,097,703**	$	980,379	$	838,753
Share-based compensation*	$	**98,338**	$	279,771	$	332,950
Net loss	$	**2,267,720**	$	2,019,415	$	1,898,428
Basic and diluted loss per common share	$	**0.03**	$	0.03	$	0.03
Number of common shares outstanding		**76,766,547**		70,345,833		64,555,833

* share-based compensation costs have been allocated to administrative, directors' fees, and project evaluation costs.

As at		February 28, 2019		February 28, 2018		February 28, 2017
Total assets	$	**660,011**	$	547,058	$	1,687,442
Total liabilities	$	**199,167**	$	95,696	$	147,251
Shareholders' equity	$	**460,844**	$	451,362	$	1,540,191
Deficit	$	**(27,375,859)**	$	(25,108,139)	$	(23,088,724)

The Company ended its 2019 fiscal year with $554,845 in cash and cash equivalents. The Company incurred $1,097,703 on project evaluation costs during the year and share-based compensation expense of $98,338 resulting from the options that were granted during the year and from certain options granted in previous years.

Year ended February 28, 2019 compared to the year ended February 28, 2018

At February 28, 2019, the Company had $554,845 in cash and cash equivalents, $188,804 more than the $366,041 that was held at February 28, 2018. The increase predominantly relates to the Company raising $2,194,750 from a private placement that closed in May 2018 as well as an exercise of stock options during the period for total proceeds of $15,000. The Company utilized its funds to advance its various projects in Colombia, Philippines and Australia.

For the year ended February 28, 2019, the Company recorded a loss of $2,267,720 compared to a loss for the same period in 2018 of $2,019,415. Share-based compensation expense of $98,338 was incurred, compared to $279,771 in 2018, due to recognizing the expense associated with the vesting of certain options that were granted during the year and in previous years.

The Company currently has no revenue generating activities other than interest income. Interest income of $495 was recognized for the year ended February 28, 2019 compared to $10,671 for the same period in 2018.

Significant variances:

- Directors' fees: $30,312 (2018 - $92,060) – the variance is caused by higher share-based compensation in 2018 due to the vesting of options issued in previous years.

- Impairment of mineral properties: $87,241 ($2018 - $nil) – in 2019, the Company recorded an impairment expense related to the Cobrasco project (see Projects above).

- Mineral property exploration expenditures: $1,097,703 (2018 - $980,379) – the variance is mainly due to costs incurred in 2019 related to a drilling program at San Antonio which is partly offset by costs incurred in 2018 in a field study at Cobrasco. Drilling costs in 2019 were approximately $282,000 (2018 - $nil), geological costs were approximately $129,000 in 2019 (2018 - $272,000), tenement fees and option payments were approximately $135,000 in 2019 (2018 - $186,000) and wages and benefits in 2019 were approximately $284,000 (2018 - $236,000).

- Travel: $115,534 (2018 - $19,354) – the higher amount in 2019 is mainly caused by certain travel expenses which were previously shared with other companies and now are borne by Rugby, together with increased travel requirements as the Company worked on advancing on its projects in Colombia, Australia and the Philippines.

Three months ended February 28, 2019 compared to the three months ended February 28, 2018

For the three month period ended February 28, 2019, the Company recorded a loss of $470,588 compared to a loss for the same period in 2018 of $472,460. The project evaluation expenditures for the fourth quarter of 2019 was $109,322 compared to $197,221 for the fourth quarter of 2018.

Summary of Quarterly Results

The following selected financial information is extracted from the audited consolidated financial statements and covers a summary of the eight most recently completed quarters up to February 28, 2019.

	2019				2018			
	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net loss for the period ($)	470,588	815,746	614,148	367,238	472,460	605,962	438,711	502,282
Basic and diluted loss per common share for the period	$0.01	$0.01	$0.01	$0.00	$0.01	$0.01	$0.01	$0.00

The exploration activities in the fourth quarter of 2019 decreased compared to previous quarters resulting in a lower net loss. Additionally in the fourth quarter of 2019, the Company recorded an impairment expense of $87,241 (2018 - $nil) related to the Cobrasco project. The elevated net loss in the third quarter of 2019 is mainly due to the recent drilling program at San Antonio which included drilling costs of approximately $285,000 and certain travel expenses which were previously shared with other companies and now are Rugby's responsibility. The increase in net loss during the second quarter of 2019 compared to the previous one is mainly due to higher exploration expenditures related to a field study at Cobrasco and tenement fees in Colombia of approximately $93,000.

Financial Condition, Liquidity and Capital Resources (please refer also to *Description of Business and Going Concern* section above)

As at February 28, 2019 the Company had cash resources of $554,845. Subsequent to February 28, 2019, the Company closed a private placement raising gross proceeds of $1,185,900. Additionally, on March 26, 2019, pursuant to the amended Mabuhay option agreement, the Company issued 365,000 common shares at a deemed price of $0.18 per share to settle the initial staged payment of US$50,000.

The Company will be required to raise additional funds to advance the exploration of its projects and to complete expenditures required to maintain its option over the Motherlode project (please see Projects section above for more details). In addition, should the Company acquire new projects it will be required to raise funds to meet any expenditure and/or option payment obligations. The Company will continue to utilize its cash resources to fund project exploration and administrative requirements. Aside from cash, the Company has no material liquid assets. There is no assurance that the Company will be able to raise the necessary funds through capital raisings in the future, and to maintain its treasury in these times of difficult access to risk funding.

Management evaluates and adjusts its planned level of activities to ensure that adequate levels of working capital are maintained. The future availability of funding will affect the planned activity levels at the Company's projects and expenditures will be adjusted to match available funding.

The Company has no loans or bank debt and there are no restrictions on the use of its cash resources. The Company has not issued any dividends and management does not expect this will change in the near future.

Related Party Transactions

During the year ended February 28, 2019, a total of $200,559 (2018 – $239,973) was paid or accrued for related party transactions with companies controlled by directors or officers of the Company for mineral property exploration costs, administrative support fees, rent and consulting fees. Amounts due to companies controlled by directors of the Company as at February 28, 2019 of $131,157 are for consulting fees and expenses incurred on behalf of the Company and are non-interest bearing and due on demand (February 28, 2018 for consulting fees – $10,416).

The total of $200,559 incurred for the year ended February 28, 2019 was paid or accrued as follows: $98,952 (2018 – $124,992) to Berenvy Pty Ltd., a company controlled by the President & CEO of the Company for consulting fees; $60,000 (2018 - $72,000) to Rowen Company Ltd., a company controlled by the Chairman of the Company for consulting fees and $41,607 (2018 - $42,981) to Rogo Investments Pty Ltd., a company controlled by a director of the Company for office rental fees which are priced at commercial market prices.

Outlook

Proceeds from the private placement which closed on March 15, 2019, will be used to fund Rugby's exploration expenditures at its Mabuhay project in the Philippines, its Otway project in Australia, its Colombian gold and copper projects and for administrative purposes.

The Motherlode Gold Copper Project, Philippines

In January 2019, the Mines and Geo-Sciences Bureau issued final approval allowing exploration and drilling to commence on the project. Plans are now underway to commence a drilling program at the Motherlode area targeting both the high-grade epithermal gold veins and the deeper gold-copper porphyry.

The Otway Project, Australia

The Company completed an extensive historical data compilation, reconnaissance geology and geochemistry designed to advance the project to drill-ready stage. Potential drill targets have been identified and the Company received native title approval to conduct an initial nine hole drill program at the Otway copper prospect. Further geochemical sampling is currently being conducted within the 118 square kilometre property.

Regional Projects, Colombia

The Company has an extensive portfolio of both granted exploration concessions and applications covering over 600 square kilometres in Colombia. Follow-up exploration will be conducted on the most prospective areas and the logistics for geophysical surveys will be investigated to assist in drill targeting.

The Cobrasco Project, Colombia

In August 2018, the Company filed additional technical data with the Department of Forestry to support a drilling permit application. In April 2019, Rugby was notified that its drilling permit application for the Cobrasco project had been denied by the Forestry Department, a division within the Colombian Ministry of the Environment. The Company is appealing the decision.

Financial Instruments

(a) Fair Value

The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities and due to related parties approximates fair value due to the short term of these financial instruments.

Financial Risk Management

The Company's activities potentially expose it to a variety of financial risks, including credit risk, foreign exchange currency risk, liquidity and interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits the majority of its cash with high credit quality financial institutions in Canada and holds balances in banks in Colombia, Australia and the Philippines as required to meet current expenditures.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Company's maximum exposure to credit risk.

Currency risk

The Company operates in Canada, Colombia, Australia and the Philippines and it is therefore exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

The Company's cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities are denominated in several currencies (mainly Canadian Dollars, US Dollars, Australian Dollars, Colombian Pesos and Philippine Pesos) and are therefore subject to fluctuation against the Canadian Dollar. Such foreign currency balances, which are held in the Company's Colombian, Australian and Philippine subsidiaries, are subject to fluctuations against the Colombian Peso, Australian Dollar and Philippine Peso respectively.

As at February 28, 2019 and February 28, 2018, the Canadian parent company had nominal balances in foreign currencies.

Assuming that all other variables remain constant, a 10% depreciation or appreciation of the US dollar, Colombian Peso, Philippine Peso and Australian dollar against the Canadian dollar would result in an insignificant change in the Company's consolidated statement of loss.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk mainly arises from the interest rate impact on the cash and cash equivalents. Cash and cash equivalents earn interest based on current market interest rates.

Based on the amount of cash and cash equivalents held at February 28, 2019, and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant change in the interest earned by the Company.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company had cash and cash equivalents at February 28, 2019 in the amount of $554,845 (February 28, 2018 - $366,041) in order to meet short-term business requirements. At February 28, 2019, the Company had current liabilities of $199,167 (February 28, 2018 - $95,696).

Proposed Transactions

The Company continues to investigate new opportunities. Should the Company enter into agreements in the future on new properties, it may be required to make cash payments and complete work expenditure commitments under those agreements.

Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements.

Critical Accounting Estimates and Policies

The details of Rugby's accounting policies are presented in Note 4 of its audited consolidated financial statements for the year ended February 28, 2019. These policies are considered by management to be essential to understanding the processes and reasoning that go into the preparation of the Company's consolidated financial statements and the uncertainties that could have a bearing on its financial results.

Changes in Accounting Policy and Disclosures

New Standards and Interpretations

The following standard was adopted by the Company effective March 1, 2018:

IFRS 9 – Financial Instruments

The Company adopted all of the requirements of IFRS 9 Financial Instruments ("IFRS 9") as of March 1, 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 utilizes a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, so the Company's accounting policy with respect to financial liabilities is unchanged. As a result of the adoption of IFRS 9, management has changed its accounting policy for financial assets retrospectively, for assets that continued to be recognized at the date of initial application. The change did not impact the carrying value of any financial assets or financial liabilities on the transition date.

Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss ("FVTPL"), at fair value through other comprehensive income (loss) ("FVTOCI") or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The Company completed a detailed assessment of its financial assets and liabilities as at March 1, 2018.

The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

	Original classification under IAS 39	New classification under IFRS 9
Accounts receivable	Loans and receivables – amortized cost	Amortized cost
Accounts payable	Other liabilities – amortized cost	Amortized cost
Due to related parties	Other liabilities – amortized cost	Amortized cost

The Company did not restate prior periods as there was no impact at the date of initial application. The adoption of IFRS 9 resulted in no impact to the opening accumulated deficit on March 1, 2018.

Measurement

Financial assets at FVTOCI
Elected investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses recognized in other comprehensive income (loss).
Financial assets and liabilities at amortized cost
Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets and liabilities at FVTPL
Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the consolidated statements of comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the consolidated statements of comprehensive loss the period in which they arise.

Derecognition

Financial assets
The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. Gains and losses on derecognition are generally recognized in the consolidated statements of comprehensive loss. However, gains and losses on derecognition of financial assets classified as FVTOCI remain within accumulated other comprehensive income (loss).

Financial liabilities
The Company derecognizes financial liabilities only when its obligations under the financial liabilities are discharged, cancelled or expired. Generally, the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the consolidated statements of comprehensive loss.

The following standard will be adopted by the Company effective March 1, 2019:

IFRS 16 – Leases

The new leases standard replaces IAS 17 – Leases and its associated interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of 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 a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting remains similar to current accounting practice. The standard is effective for the Company from March 1, 2019.

The Company does not expect IFRS 16 to have an impact on its consolidated financial statements.

Risks and Uncertainties

General

The Company is engaged in the acquisition, exploration and, if warranted, development of mineral resource properties. The Company does not produce, develop or sell any mineral products at this time. All of the Company's properties are in the exploration stage and consequently do not generate any operating income or cash flow from operations. The Company has relied on equity capital to finance its activities in the past and will continue to do so for the foreseeable future.

Business Cycles

The mineral exploration business is affected by fluctuations in commodity price cycles. The marketability of minerals and mineral concentrates is also affected by worldwide economic cycles. Although the Company does not have producing mining operations, its ability to finance its mineral exploration programs is related and sensitive to the market prices of gold, silver and other precious metals. Metal prices fluctuate widely and are affected by numerous factors such as global supply, demand, inflation, exchange rates, interest rates, forward selling by producers, central bank sales and purchases, production, global or regional political, economic or financial situations and other factors beyond the control of the Company.

Risk Factors

The activities of the Company are speculative due to the high risk nature of its business which is the acquisition, financing, exploration and development of mineral exploration properties. The following risk factors, which are not exhaustive, could materially affect the Company's business, financial condition or results of operations and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks include but are not limited to the following:

We have no operating history.

Although all persons who will be involved in the management of the Company have had long experience in their respective fields of specialization, we have no operating history upon which prospective investors can evaluate our performance.

We are subject to substantial environmental requirements which could cause a restriction or suspension of our operations.

The Company is subject to substantial environmental requirements which could cause a restriction or suspension of certain operations. The current and anticipated future operations and exploration activities of the Company on select projects in Colombia and the Philippines require permits from various governmental authorities and such operations and exploration activities are and will be governed by Federal, Provincial and local laws and regulations governing various elements of the mining industry including, without limitation, land use, the protection of the environment, prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, and other matters. It is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or other remedial actions.

We operate in the resource industry, which is highly speculative, and has certain inherent exploration risks which could have a negative effect on our operations.

The exploration and development of mineral deposits involves significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be fully mitigated. The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, foreign exchange controls, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. Other potential impacts could include the location of the mineral deposit and if it is found in remote or harsh climates. These unique environments could limit or reduce production possibilities or if conditions are right for potential natural disasters, including but not limited to volcanoes, earthquakes, tornados and other severe weather, could negatively impact facilities, equipment and the safety of its workers dramatically.

Properties held under option

Certain of our mineral exploration properties are currently held under option. We have no ownership interest in these properties until we meet, where applicable, all required property expenditures, cash payments, and common share issuances. If we are unable to fulfill the requirements of these option agreements, it is likely that we would be considered in default of the agreements and the option agreements could be terminated resulting in the complete loss of all expenditures and required option payments made on the properties to that date (please see the Projects section above for more details).

No known mineral resource or reserves

The Company is in the process of exploring for mineral deposits and has no known mineral resources or reserves and, if found, such mineral resources or resources may not prove to be economic, which would have a negative effect on the Company's operations and valuation. The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit. Some of the areas in which the Company is exploring for minerals have little or no infrastructure including roads, power or water and the cost of conducting exploration in such environments are correspondingly increased.

Laws and regulations

In certain countries, the ownership of mining rights is limited or is subject to interpretation of various laws including restrictions on foreign ownership of mineral tenures in the Philippines. In the event of such interpretation being found to be different, it could negatively affect the Company's ability to secure or retain ownership of mineral properties.

The Company's mineral exploration is, and any development activities will be, subject to various Colombian, Philippine and Australian laws governing exploration, development, production, taxes, labour standards and occupational health, mine safety, environmental protection, toxic substances, land use, water use and other matters. Some of the mineral properties which the Company is exploring are located within forest reserves or adjacent to designated parks and special permits are required in order for it to commence exploration activities which can affect the environment within such areas. The availability of such permits has not yet been fully established by the Company. Exploration generally requires one form of permit while development and production operations require additional permits. There can be no assurance that all permits which we may require for future exploration or possible future development will be obtainable at all or on reasonable terms. In addition, future changes in applicable laws or regulations could result in changes in legal requirements or in the terms of existing permits applicable to us or our properties. This could have a negative effect on our exploration activities or our ability to develop our properties.

As we are presently at the early exploration stage with all of our properties, the disturbance of the environment is limited and the costs of complying with environmental regulations are minimal. However, if operations result in negative effects upon the environment, government agencies will likely require us to provide remedial actions to correct the negative effects.

Failure to comply with applicable laws and regulations may result in civil or criminal fines or penalties or enforcement actions, including orders issued by regulatory authorities curtailing the Company's operations or requiring corrective measures, any of which could result in the Company incurring substantial expenditures. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration or development.

Access to capital

The Company has limited financial resources and no operating cash flow. The Company expects to incur net cash outlays until such time, if ever, as its properties enter into commercial production and generate sufficient revenues to fund continuing operations. The development of mining operations would require the commitment of substantial resources for operating expenses and capital expenditures, which are likely to increase in subsequent years as needed consultants, personnel, materials and equipment associated with advancing exploration, development and commercial production of our properties are added.

The amounts and timing of expenditures incurred by the Company will depend on the progress and success of ongoing exploration, the results of consultants' analysis and recommendations, the rate at which operating losses are incurred, the acquisition of additional properties, and other factors, many of which are beyond the Company's control. The sources of financing the Company may use for these purposes include public or private offerings of equity or debt. In addition, the Company may enter into strategic alliance, sell certain of its assets or utilize a combination of all of these alternatives. There can be no assurance that financing will be available on acceptable terms, or at all.

Political and economic uncertainties

The Company's property interests and exploration activities are carried out in foreign countries, principally Colombia, the Philippines, and Australia. Accordingly, the Company's activities are subject to political, economic and other uncertainties, including the risk of expropriation, nationalization, the rights of indigenous peoples and local communities, renegotiation or nullification of existing contracts, mining licenses and permits or other agreements, changes in laws or taxation policies, currency exchange restrictions and fluctuations, changing political conditions and international monetary fluctuations. Future government actions concerning the economy, taxation, or the operation and regulation of nationally important resources and facilities such as mineral resources and mines, could have a significant effect on us. Any changes in regulations or shifts in political attitudes are beyond our control and may adversely affect our business. Exploration may be affected in varying degrees by government regulations with respect to restrictions on foreign ownership of mineral resources, future exploitation and production, price controls, export controls, foreign exchange controls, income and/or mining royalties and taxes, expropriation of property, environmental legislation and mine and/or site safety. No assurances can be given that our plans and operations will not be adversely affected by future developments in the countries in which our company operates. The Company does not maintain political risk insurance.

Some of the Company's properties are located in countries which have experienced difficult personal security environments where some acts of kidnapping, terrorism and extortion have been reported. The cost of operating in such environments is increased by the need for site and personnel security and support.

Title to properties

In certain countries, the ownership of mining rights and, in particular, foreign ownership, is limited or is subject to interpretation of various laws. In the event of such interpretation being found to be different, it could negatively affect the Company's ability to retain or secure ownership of mineral properties.

Although the Company believes it has exercised commercially reasonable due diligence with respect to determining title to properties it owns, controls or has the right to acquire by option, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unrecorded agreements or transfers or native land claims and title may be affected by undetected defects. There may be valid challenges to the title of the Company's properties, which, if successful, could impair development and/or operations. In addition, mineral properties may be leased and may be subject to defects in title. Only a preliminary legal survey of the boundaries of some of our properties has been done and, therefore, in accordance with the laws of the jurisdictions in which these properties are situated, their existence and area could be in doubt. If title is disputed, we will have to defend our ownership through the courts. In the event of an adverse judgment, we would lose our property rights.

The natural resource industry is highly competitive

We compete with other exploration resource companies which have similar operations, and many competitors have operations, financial resources and industry experience greater than ours. This may place us at a disadvantage in acquiring, exploring and developing properties. These other companies could outbid us for potential projects or produce minerals at lower costs which would have a negative effect on our operations.

Dependence on key personnel

We depend on the business and technical expertise of our management and key personnel, including Paul Joyce, the President and Chief Executive Officer. It is unlikely that this dependence will decrease in the near term. As our operations expand, additional general management resources will be required. We may not be able to attract and retain additional qualified personnel and this would have a negative effect on our operations. We have entered into a formal services agreement with Paul Joyce, our President and Chief Executive Officer. We maintain no "key man" life insurance on any members of our management or directors.

Conflicts of interest

Certain of our directors and officers are also directors and/or officers and/or shareholders of other natural resource companies. While we are engaged in the business of exploring for and, if appropriate, exploiting mineral properties, such associations may give rise to conflicts of interest from time to time. Our directors are required by law to act honestly and in good faith with a view to uphold the best interests of the Company and to disclose any interest that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of our board of directors, any director in a conflict must disclose his interest and abstain from voting on the matter. In determining whether or not we will participate in any project or opportunity, our directors will primarily consider the degree of risk to which we may be exposed and our financial position at the time.

The market for our common shares is subject to volume and price volatility which could negatively affect a shareholder's ability to buy or sell our common shares.

The market for our common shares may be highly volatile for reasons both related to our performance or events pertaining to the industry (i.e. mineral price fluctuation/high production costs/accidents) as well as factors unrelated to us or our industry such as economic recessions and changes to legislation in the countries in which we operate. In particular, market demand for products incorporating minerals in their manufacture fluctuates from one business cycle to the next, resulting in changes in demand for the mineral and an attendant change in the price for the mineral. Since our listing on the TSX Venture Exchange, the price of our common shares has fluctuated between $0.04 and $1.87. Our common shares can be expected to be subject to volatility in both price and volume arising from market expectations, announcements and press releases regarding our business, and changes in estimates and evaluations by securities analysts or other events or factors. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly small-capitalization companies such as the Company, have experienced wide fluctuations that have not necessarily been related to the operations, performances, underlying asset values, or prospects of such companies. For these reasons, our common shares can also be subject to volatility resulting from purely market forces over which we will have no control. Further, despite the existence of a market for trading our common shares in Canada, our shareholders may be unable to sell significant quantities of our common shares in the public trading markets without a significant reduction in the price of the stock.

Controls and Procedures

In connection with Exemption Orders issued in November 2007 and revised in December 2008 by each of the securities commissions across Canada, the CEO and CFO of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited interim consolidated financial statements and the audited annual consolidated financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificate under NI 52-109, the Venture Issuer Basic Certification does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P") are intended to provide reasonable assurance that information required to be disclosed is recorded, processed, summarized and reported within the time periods specified by securities regulations and that information required to be disclosed is accumulated and communicated to management. Internal controls over financial reporting ("ICFR") are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with IFRS.

TSX-V listed companies are not required to provide representations in the annual filings relating to the establishment and maintenance of DC&P and ICFR, as defined in NI 52-109. In particular, the CEO and CFO certifying officers do not make any representations relating to the establishment and maintenance of (a) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation, and (b) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's IFRS.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in their certificates regarding the absence of misrepresentations and fair disclosure of financial information. Investors should be aware that inherent limitations on the ability of certifying officers of a TSX-V issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Management's Responsibility for the Financial Statements

The Audit Committee is responsible for reviewing the contents of this document along with the consolidated financial statements to ensure the reliability and timeliness of the Company's disclosure while providing another level of review for accuracy and oversight. There have been no changes in the Company's disclosure controls and procedures during the year ended February 28, 2019.

Forward-Looking Statements

These forward-looking statements, principally under the heading "Outlook", but also elsewhere in this document include estimates, forecasts and statements as to the Company's belief with respect to, among other things, the timing of drilling, timing for receipt of permits, the potential for the success of its exploration programs and the quality of its exploration results, the Company's ability to continue to access the capital necessary to allow it to perform its obligations under its option and earn-in agreements with respect to its Mabuhay property, the ability to mitigate foreign exchange risk, the ability of the Company to respond to market fluctuations and government regulations and the ability of the Company to demonstrate that a commercially viable mineral deposit exists on its various projects.

Certain statements contained in this MD&A constitute forward-looking statements. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward looking statements. While the Company has based these forward-looking statements on its expectations about future events as at the date that this document was prepared, the statements are not a guarantee of the Company's future performance and are subject to risks, uncertainties, assumptions and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. In addition, there are also known and unknown risk factors which may cause actual events or results to differ from those expressed or implied by the forward looking statements, including, without limitation:

- risks related to the Company's lack of revenues from operations and its ability to maintain and raise sufficient cash resources to fund ongoing administrative requirements, expected exploration programs and possible future mining operations;
- risks related to the Company's history of losses, which are likely to continue to occur in the future;
- risks related to the ongoing financial and economic uncertainties in the United States and Europe and the Company's ability to raise capital in the future to fund its operations;
- risks related to currency fluctuations and operating within foreign currency regulations in Australia, Colombia and the Philippines and the enactment or enforcement of additional restrictions;
- changes in the market price of gold, silver, copper and other minerals which in the past have fluctuated widely and which could affect the Company's ability to finance its ongoing activities as well as the profitability of possible future operations and financial condition;
- uncertainties relating to interpretation of drill results and the geology, continuity and grade of mineral deposits;
- risks related to the dangers of mineral exploration, including conditions or events beyond the Company's control;
- uncertainty in the Company's ability to obtain permits necessary to commence operations at Cobrasco;
- risks related to the Company being subject to environmental laws and regulations which may increase the costs of doing business and/or restrict activities;
- risks related to land reclamation requirements which may be burdensome;
- risks over the uncertainty in the Company's ability to attract and maintain qualified management and other personnel to meet the needs of anticipated growth and risks relating to its ability to manage growth effectively;
- risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title as well as risks associated with the foreign ownership of mineral properties in jurisdictions such as Australia, Colombia and the Philippines which may affect the Company's ability to continue exploration and development activities;

- risks related to increased competition that could adversely affect the Company's ability to attract necessary capital funding or acquire suitable properties for mineral exploration in the future;

- risks related to officers and directors becoming associated with other natural resource companies which may give rise to conflicts of interests;

- the volatility of the Company's common share price and volume;

- tax consequences to Canadian shareholders and United States shareholders;

- risks relating to potential claims by indigenous people over the Company's mineral properties;

- risks related to working in jurisdictions where there is a history of political instability and social unrest; and

- risks related to working in jurisdictions where there is a potential or history of inflation making it difficult or economically infeasible to hire or retain necessary workers or contractors or obtain goods or services necessary to operate effectively.

The above is not an exhaustive list of the factors that may affect forward-looking statements. Some of the important risks and uncertainties that could affect forward-looking statements are described further in this MD&A. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward looking statements. Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Company does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change except as required by law. Such factors and assumptions include, amongst others, the effects of general economic conditions, changing foreign exchange rates and actions by government authorities, uncertainties associated with negotiations, misjudgments in the course of preparing forward looking statements. Investors are cautioned against attributing undue certainty to forward looking statements.

All statements are made as of the date of this MD&A and the Company is under no obligation to update or alter any forward-looking statements except as required under applicable securities laws.

Additional Information

As at June 27, 2019 the Company had:

(i) 83,719,878 common shares issued and outstanding
(ii) 10,900,000 outstanding stock options with a weighted average exercise price of $0.16
(iii) 2,087,500 outstanding warrants at an exercise price of $0.13 if exercised on or before October 15, 2019 and thereafter, an exercise price of $0.14 until expiry on October 15, 2020.
(iv) 6,017,785 warrants exercisable at a price of $0.36 until expiry on May 22, 2020.
(v) 252,929 warrants exercisable at a price of $50 until expiry on May 22, 2020.
(vi) 3,294,165 warrants exercisable at a price of $0.30 until expiry on March 20, 2020.

Directors and Officers

Directors:	Officers:
Paul Joyce	Paul Joyce, President and CEO
Bryce Roxburgh	Bryce Roxburgh, Chairman
Yale Simpson	Alejandro Adams, CFO
Robert Reynolds	Jonathan Hermanson, Vice President, Corporate Development
Merfyn Roberts	Rob Grey, Vice President, Corporate Communications
Cecil Bond	Cecil Bond, Executive Vice President, Finance

Contact Person
Jonathan Hermanson
Telephone: (604) 688-4941
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Additional information regarding the Company is available on SEDAR at www.sedar.com.