



## **MINERAL MOUNTAIN RESOURCES LTD.**

(the “Company” or “Mineral Mountain”)

### **FORM 51-102F1**

### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED MARCH 31, 2018**

The following Management Discussion and Analysis (“MD&A”) has been prepared by management as of June 29, 2018, should be read in conjunction with the audited consolidated financial statements of the Company together with the related notes thereto for the year ended March 31, 2018. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All amounts are stated in Canadian dollars unless otherwise indicated.

Statements in this MD&A that are forward-looking statements (see “Forward Looking Statements”) are subject to various risks and uncertainties concerning the specific factors disclosed under the heading “Risk and Uncertainties”. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The Company does not assume the obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

### **OVERVIEW**

The Company was incorporated in British Columbia under the laws of the Business Corporations Act on September 1, 2006. The Company’s mandate is to identify under explored Archean and/or Proterozoic-age greenstone belts, either in North America or globally, that have had a long history of large-scale gold production and are located in safe jurisdictions that are judged to be geologically favorable for the systematic exploration and discovery of district-scale gold deposits, and subsequently employing modern, proven exploration techniques conducted by a strong, experienced technical team. An important selection criteria, for the Company’s technical team, is to search for or identify highly prospective underexplored greenstone belts that are located in politically safe, mining friendly jurisdictions.

Between July 2010 and May, 2012, the Company conducted gold exploration programs in South Central, British Columbia, in the Straw Lake area of northwestern Ontario and in the Shining Tree area of northeastern Ontario. In July 2012, the Company identified a more advanced gold opportunity and changed its focus to the search for iron formation hosted gold deposits in the Black Hills of South Dakota, U.S.A.

In July 2012, the Company entered into an option agreement with Holy Terror Company, a private company that controlled six historical gold producers in the Keystone Gold District situated near the south end of the 70 km long Homestake Gold Trend located in the Black Hills of South Dakota, U.S.A. In October 2016, due to a dramatic downturn in the overall mining industry, the Company terminated its Holy Terror Option Agreement and began to focus on its 100%-owned flagship project, the Rochford Gold Project, situated 26 km south of the Homestake Mine and 38 km north-northeast of the Holy Terror Project both occurring within the same belt of rocks. Since the fall of 2012, the Company has been primarily engaged in land consolidation either by claim staking or by mineral property purchases, as well acquiring a large-scale comprehensive database for the entire Rochford District and by completing a high resolution airborne EM and Mag survey (HeliTEM) covering the Company’s entire land package totaling about 30 sq. mi of the Rochford Gold District. Based on the Company’s research and due diligence, it was

concluded that this advanced gold project has geological characteristics that are similar to the Homestake Mine host rocks.

The Company's common shares are listed on the TSX Venture Exchange (TSX-V) under the symbol "MMV" and on the OTCQX under the symbol "MNRLF".

### **Rochford Gold Project (2012 –present)**

As part of the Company's extensive research and geological assessment of the local area's unique gold potential of the Homestake Gold Trend, the Company's technical team identified the Rochford Gold District in 2012 to be a highly prospective, under-explored Proterozoic greenstone belt to discover other Homestake-style gold hosted iron formation deposits. While conducting field traverses in the Rochford area, the team found that a number of past gold producers were open for claim staking and, it was concluded that this portion of the Homestake Gold Trend hosting several historical small high grade gold producers could easily be consolidated.

The Rochford Gold District is located 27 kilometers (16 miles) south of the Homestake Mine and situated along the Homestake Gold Trend which has been traced by mapping for about 70 km (44 miles) in length. Consistent with the Company's mandate, the Rochford District was determined to have a remarkably similar geological environment to the Homestake Mine area. Through due diligence by the Company's technical team, it was determined that the Rochford Gold District had not been the focus of systematic exploration by either major gold producers or by junior mining companies since 1997. In fact, the most serious exploration for gold occurred between 1986 and 1989. Historically, land tenure in the area was fragmented with multiple property owners and, as a result, was never consolidated by past explorers. During the last positive gold cycle the mining industry experienced between 2004 and 2010, exploration in the Rochford District was sporadic and not concentrated. As a result, compared to other major prospective greenstone belts, this district remained largely under-explored primarily because modern exploration techniques, in general, were not employed along the Homestake Gold Trend.

In the fall of 2012 and early 2013, the Company began an aggressive program of land consolidation in the Rochford District initially acquiring, by professional claim staking, a total of 289 unpatented mineral claims covering a number of historical gold producers associated with folded banded iron formation (BIF) for an aggregate acreage of 4,400 acres (1,777.6 hectares). Subsequently, in February 2013, the Company conducted a low level, high resolution helicopter-borne magnetic and electromagnetic survey (HeliTEM) covering a 30 sq. km area encompassing the Company's 289 unpatented mineral claims and a broader area covering the most prospective portion of the Rochford greenstone belt. The survey was able to trace multiple bands of iron formation trending through the project area in a northeast southwest direction, some of which were not exposed on surface.

Following a field assessment of the airborne magnetic and electromagnetic trends and a search of the local mineral titles and ownership, the Company launched an aggressive program of additional land consolidation, entering into an option to purchase agreement for the historical Standby Mine patents and acquiring the most comprehensive database ever assembled for the Rochford Gold District. With the discovery of the Homestake Mine in 1875, a major staking rush took place along the entire Homestake Gold Trend. The Rochford District was blanketed by multiple land holders and ownership along the belt became very fragmented. Beginning in late 2012, the Company, for the first time, consolidated the most prospective land and mineral rights in the Rochford District and assembled the comprehensive database assembled for the Rochford District. The database included historical diamond drilling completed by six major gold companies estimated to exceed \$US 20 million in historical exploration costs.

On March 1, 2016, the Company announced the purchase of two (2) strategically located gold properties totaling 19 unpatented lode mineral claims totaling 380 acres (152 hectares) from BHB Partners, the South Standby and the Cochrane South properties, as well as a comprehensive database consisting of over \$US 20 million in historical exploration costs completed by six major gold companies. On June 22, 2016, the Company staked an additional 37 unpatented lode mineral claims totaling 606 acres (242 hectares) south of the South Standby property acquired from BHB Partners. The claims were staked to provide better coverage along the 5.5 km long Standby-South Standby-Lookout Mine structural corridor. On September 12, 2016, the Company signed an exploration agreement with an option to purchase the historical Standby Mine property consisting of nine (9) contiguous patent claims totaling 67.45 acres (27 hectares). In October 2016, the Company purchased a proprietary digital database generated from core diamond drilling that was conducted by Homestake Mining Company between 1967 and 1988, and never

before released to the public. The proprietary digital database consisted of 71 diamond drill holes totaling 22,393 meters of which 17 holes totaling 14,723 meters were drilled on the Standby Mine Property.

Between the period from January to June 30, 2017, the Company engaged the services of Earthscan Geoscience, a consulting group specializing in the compilation of the recently acquired comprehensive database. Since the data acquired was from multiple sources and from different generations, Earthscan Geoscience was able to get the data into a workable digital format compatible with several modern software programs. On May 2, 2017, the Company was issued EXNI permit 427 to drill 10,000 meters to define the down plunge extension of the Standby Mine gold deposit and was granted a water use permit for drill testing purposes. A diamond drill contract to drill 4,000 meters consisting of a minimum of 12 holes was signed with First Drilling, a Colorado based drill firm, in October 2017.

From February 11th, 2018 through to end of March, 2018 the Company completed 3 of the planned 12 drill holes on the Standby Mine patents totaling 1,322 meters. All three drill holes tested the upper 320 meters of the East Limb Structure. The drill program was voluntarily halted due to degrading road conditions due to spring thawing. Following the upgrading of the access road, drilling resumed on June 4, 2018.

As of the date of this report, the Company controlled a 100% interest in 458 unpatented lode mineral claims totaling 7,448.36 acres (3,014.25) hectares in the Rochford District and nine (9) patented claims totaling 67.45 acres (27 hectares).

## **MINERAL EXPLORATION ACTIVITIES**

### **Rochford Gold Project, Black Hills of South Dakota**

The Rochford Gold District is situated within the Homestake Gold Trend 27 kilometers (16 miles) south-southwest of the Homestake Mine, one of the largest gold producers in North American history and the largest iron formation-hosted gold deposit of its kind in the world. The Company's experienced technical team concluded that, the Homestake Mine and the Rochford District were remarkably similar in host rock composition, structural style, metamorphic grade, and gold mineralization concluding that the Rochford District had the potential to contain more than one economic gold deposit. More than 45,000,000 ounces of gold have been produced from the Black Hills, with the majority from the world famous Homestake Mine (~40,000,000 ounces of Au) in Lead, South Dakota.

In late 2012, the Company acquired a significant presence in the Rochford District by staking 289 unpatented mineral claims totaling 4,474 acres (1,810 hectares) covering a 7 km by 2 km segment. The claims were staked to cover 9 historical past high grade gold producers.

In February and March, 2013, the Company completed a HELITEM electromagnetic and magnetic airborne geophysical survey over the Rochford Project area totalling 977.4 line km. Following further research, due diligence and numerous site visits to the Rochford District, in October 2015, the Company purchased two strategically located gold properties totaling 19 unpatented mineral claims and a comprehensive database that was never previously disclosed consisting of over \$US 10 million in historical exploration (primarily diamond drill results) from BHB Partners, a US based private group of geologists. The database and two gold properties were purchased for 4 million post-consolidated shares of the Company and no cash payment.

In mid-March, 2016, the Company increased its landholdings in the Rochford District by staking an additional 37 unpatented mineral claims to provide better coverage along the Standby Mine-South Standby-Lookout Mine 5.5 km long structural corridor. By mid-March, the Company had assembled a total of 345 unpatented mineral claims totaling 5,447 acres (2,204 hectares).

On September 12, 2016, the Company signed an exploration agreement with an option to purchase a 100-% interest in the historic Standby Mine property, a "turn of the century" high grade gold producer located in Pennington County and consisting of 9 contiguous patent claims totaling 67.45 acres. Gold mineralization at the Standby Mine is hosted in a synclinally folded, southeasterly plunging-iron formation geologically similar to the Ledge-type deposits developed at the Homestake Mine.

In April 2017, the Company engaged to services of Condor Geophysical Consulting based in Colorado, USA to conduct a Geo Interpretation of the magnetic data and a geophysical assessment of the airborne survey flown for the Company by Fugro in 2013. A final report was received from Condor in September 2017. In addition, the Company engaged the services of FMG Engineering, a local consulting firm based in Rapid City to assist the company to apply for drill permits on both the Standby Mine patented and on the Company's 100% owned unpatented claims located immediately south of the Cochrane gold deposit.

In October 2017, the Company signed a drilling contract with First Drilling, a Colorado-based drill contractor, to drill 12 holes on the Standby Mine patents. On February 11, 2018, drilling began and by March 31<sup>st</sup>, 2018 three of the planned twelve holes totaling 1,322 m were completed.

Prior to the initiation of the drill program on the Standby Mine patents, no field work had been performed on the Rochford property since the completion of the airborne survey in March 2013. The annual rental fees payable to the BLM for the large property have been paid on September 1, 2016 and the claim package is in good standing until September 1, 2018.

### Qualified Person

The technical contents in this document have been reviewed and approved by Nelson W. Baker, P.Eng., a qualified person as defined by National Instrument (NI) 43-101.

### SELECTED ANNUAL INFORMATION

The following table sets out selected financial information for the Company which has been derived from the Company's audited financial statements for the fiscal years ended March 31, 2018, 2017, and 2016.

|                                                                        | Fiscal 2018 (\$) | Fiscal 2017 (\$) | Fiscal 2016 (\$) |
|------------------------------------------------------------------------|------------------|------------------|------------------|
| Revenues                                                               | -                | -                | -                |
| Income (loss) from continuing operations                               | (1,514,819)      | (10,130,312)     | (734,545)        |
| Net income (loss)                                                      | (1,514,819)      | (10,130,312)     | (734,545)        |
| Income (loss) from continuing operations per share - basic and diluted | (0.03)           | (0.22)           | (0.02)           |
| Net loss (loss) per share - basic and diluted                          | (0.03)           | (0.22)           | (0.02)           |
| Total assets                                                           | 6,898,024        | 4,332,369        | 9,298,086        |
| Total non-current liabilities                                          | -                | -                | -                |
| Dividends                                                              | -                | -                | -                |

### Factors That Affect the Comparability of the Annual Financial Data Disclosed Above

Net losses for the years ended March 31, 2018, 2017, and 2016 were \$1,514,819, \$10,130,312, and \$734,545, respectively. The general operating expenses excluding share-based payment expenses (2018 - \$962,482, 2017 - \$637,999, 2016 - \$522,278) have increased in the last two fiscal years due to the increase in corporate activities in general. The significant losses in fiscal 2017 were largely attributable to the write-off of exploration and evaluation assets of \$8,243,110. The losses in fiscal 2016 included an impairment loss on marketable securities of \$220,169.

## DISCUSSION OF OPERATIONS

The Company is an exploration stage company and has no operating revenue. Expenditures related to mineral exploration and evaluation assets are capitalized. During the year ended March 31, 2018, the Company incurred \$248,030 (2017 - \$2,203,636) in acquisition and property claim maintenance costs and \$1,146,379 (2017 - \$368,435) in exploration expenditures. The details of the mineral expenditures are included in the note 7 to the consolidated financial statements.

During the year ended March 31, 2018, the Company reported a net loss of \$1,514,819 compared to a net loss of \$10,130,312 incurred in the year ended March 31, 2017. The loss in fiscal 2018 relates primarily to general operating expenses of \$1,526,216 (2017 - \$1,920,933). The loss in fiscal 2017 also included a write-off of the Holy Terror project of \$8,243,110.

The general operating expenses excluding share-based payment expenses for the year ended March 31, 2018 were \$962,482 (2017 - \$637,999). The variance was mainly attributable to:

- Consulting fees of \$417,753 (2017 - \$289,333) are comprised of \$273,000 (2017 - \$238,000) to corporate management team and \$144,753 (2017 - \$51,333) to contract consultants for general and geological consulting work. The increase is mainly due to increased financing and project activities. The Company has entered into four consulting agreements with a director and three companies controlled separately by two directors and an officer of the Company for management and corporate financial consulting services. The total monthly fee for these consulting agreements is \$27,000.
- Media and news dissemination of \$66,238 (2017 - \$21,433) include costs of media events and publications, news dissemination and promotional materials and has increased from the comparative period due to the Company scaling up its fund raising and project promotion activities.
- Office and miscellaneous of \$116,294 (2017 - \$54,704) has increased from the comparative period due to a new software license fee and additional downtown office costs.
- Professional fees of \$155,912 (2017 - \$105,772) are comprised of \$82,022 (2017 - \$43,582) for legal and \$73,890 (2017 - \$62,190) for accounting and audit related costs. The increase in professional fees is mainly due to increased financing and project activities in the current fiscal year.
- Travel and conference of \$68,902 (2017 - \$26,877) relate mainly to costs of attending investors and mineral resources conferences and the increase corresponds to the increase in promotion activities.

Share-based payment expenses of \$563,734 (2017 - \$1,282,934), a non-cash charge, are the estimated fair value of the stock options granted during the year. The Company used the Black-Scholes option pricing model for the fair value calculation.

## SUMMARY OF QUARTERLY RESULTS

The following table sets forth selected unaudited financial information for the Company's eight most recent quarters ending with the last quarter for the three months ended on March 31, 2018.

|                                          | For the Three Months Ending |                  |                   |                  |                  |                  |                   |                  |
|------------------------------------------|-----------------------------|------------------|-------------------|------------------|------------------|------------------|-------------------|------------------|
|                                          | Fiscal 2018                 |                  |                   |                  | Fiscal 2017      |                  |                   |                  |
|                                          | Mar. 31,<br>2018            | Dec. 31,<br>2017 | Sept. 30,<br>2017 | Jun. 30,<br>2017 | Mar. 31,<br>2017 | Dec. 31,<br>2016 | Sept. 30,<br>2016 | Jun. 30,<br>2016 |
|                                          | (\$)                        | (\$)             | (\$)              | (\$)             | (\$)             | (\$)             | (\$)              | (\$)             |
| Total revenues                           | -                           | -                | -                 | -                | -                | -                | -                 | -                |
| Income (loss) from continuing operations | (786,258)                   | (286,575)        | (260,266)         | (181,720)        | (238,827)        | (156,407)        | (8,512,238)       | (1,222,840)      |
| Net income (loss)                        | (786,258)                   | (286,575)        | (260,266)         | (181,720)        | (238,827)        | (156,407)        | (8,512,238)       | (1,222,840)      |

|                                                                        |        |        |        |        |        |        |        |        |
|------------------------------------------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|
| Income (loss) from continuing operations per share - basic and diluted | (0.01) | (0.01) | (0.00) | (0.00) | (0.00) | (0.00) | (0.19) | (0.03) |
| Net income (loss) per share - basic and diluted                        | (0.01) | (0.01) | (0.00) | (0.00) | (0.00) | (0.00) | (0.19) | (0.03) |

#### **FOURTH QUARTER**

In the fourth quarter ended March 31, 2018, the Company incurred a net loss of \$786,258 (2017 - \$238,827). The current period's loss was mainly caused by general administrative expenses of \$817,798 (2017 - \$232,660). The general operating expenses excluding share-based payment expenses for the quarter ended March 31, 2018 were \$336,168 (2017 - \$207,045). Factors affecting the loss for the current quarter are similar to those explained under the "Discussion of Operations" Section.

#### **LIQUIDITY AND CAPITAL RESOURCES**

As at March 31, 2018, the Company had a cash balance of \$1,910,834, an increase of \$1,058,765 from the cash balance of \$852,069 on March 31, 2017. The Company spent \$1,083,025 (2017 - \$572,911) in operating activities and \$1,084,111 (2017 - \$818,215) on its mineral exploration project. During the year ended March 31, 2018, the Company received net proceeds of \$3,247,779 from issuance of common shares (2017 - \$2,155,365).

The Company had working capital of \$1,293,626 as at March 31, 2018 compared to working capital of \$410,336 as at March 31, 2017.

Management estimates that the general operating costs, excluding share-based payments expense, for the next 12 months will be approximately \$1,000,000. In addition, the Company has commitments of US\$100,000 due under the Standby property agreement. At present, management believes that the Company has sufficient capital resources to meet its anticipated operating and capital requirements for the next 12 months. The Company anticipates raising additional capital to finance the continuous development of the Rochford project in 2018. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

#### **Going Concern**

The Company is an exploration stage company. At present, the Company's operations do not generate cash flow and its financial success is dependent on management's ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors that are beyond the Company's control. In order to continue as a going concern and to meet its corporate objectives, which primarily consist of exploration work on its mineral properties, the Company will require additional financing through debt or equity issuances or other available means. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. Management believes it will be able to raise equity capital as required in the long term, but recognizes there will be risks involved that may be beyond their control. The annual and interim financial statements do not include any adjustments to the recoverability and classification of reduced asset amounts and classification of liabilities that might be necessary should the Company be unable to continue operations. These adjustments could be material. The Company is not subject to material externally-imposed capital constraints.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

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

## RELATED PARTY TRANSACTIONS

Amounts due to related parties of \$226,458 (March 31, 2017 - \$303,940) were for services rendered to the Company by the directors and officers or companies controlled by its directors and officers or former directors and are unsecured, non-interest bearing, and have no specific terms of repayment.

Key management personnel include directors (executive and non-executive) and senior officers of the Company. The compensation paid or payable to key management personnel during the year ended March 31 is as follows:

|                          | 2018       | 2017         |
|--------------------------|------------|--------------|
| Consulting fees          | \$ 273,000 | \$ 238,000   |
| Office and miscellaneous | 18,000     | -            |
| Professional fees        | 63,570     | 29,813       |
| Share-based payments     | 342,687    | 1,060,083    |
| Total                    | \$ 697,257 | \$ 1,327,896 |

### Transactions with related parties:

The Company entered into the following transactions relating to key management personnel and entities over which they have control or significant influence during the year ended March 31, 2018:

- Incurred consulting fees of \$162,000 (2017 - \$85,500) to two companies controlled separately by two directors of the Company.
- Incurred consulting fees of \$66,000 (2017 - \$60,000) to a director of the Company.
- Incurred office expenses of \$18,000 (2017 - \$nil) to a company controlled by a director of the Company.
- Incurred professional fees of \$21,870 (2017 - \$21,638) to a company which a director of the Company is an officer.
- Incurred professional fees of \$41,700 (2017 - \$8,175) and consulting fees of \$40,000 (2017 - \$7,500) to a company controlled by the Chief Financial Officer of the Company.
- Incurred consulting fees of \$5,000 (2017 - \$85,000) to two companies controlled separately by two former directors of the Company.

The Company has entered into four consulting agreements with a director and three companies controlled separately by two directors and an officer of the Company for management and corporate consulting services for a total monthly fee of \$27,000 plus applicable taxes. These agreements are for a one year term and continue thereafter on a month to month basis and may be terminated with a six month notice or a termination payment equal to six months' remuneration.

### Equity:

*Year ended March 31, 2018:*

On December 7, 2017, the Company issued 275,000 units of the Company at a price of \$0.20 per unit to the former CFO of the Company, a family member of the CEO of the Company, and a company owned by a director of the Company, for gross proceeds of \$55,000. Each unit consists of one common share and one transferable common

share purchase warrant. Each warrant is exercisable to purchase one warrant share for a two year period at a price of \$0.35 in the first year and \$0.50 in the second year.

On January 5, 2018, the Company issued 100,000 units of the Company at a price of \$0.20 per unit to a company owned by a director of the Company, for gross proceeds of \$20,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable to purchase one warrant share for a two year period at a price of \$0.35 in the first year and \$0.50 in the second year.

#### *Year ended March 31, 2017:*

On September 19, 2016, the Company issued 512,500 units of the Company at a price of \$0.40 per unit to the CEO of the Company, four directors of the Company, a company owned by a director of the Company, and a family member of the former CFO of the Company, for gross proceeds of \$205,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable to purchase one warrant share for a two year period at a price of \$0.60 in the first year and \$0.90 in the second year.

On March 23, 2017, the Company issued 40,000 units of the Company at a price of \$0.28 per unit to a family member of the CEO of the Company, for gross proceeds of \$11,000. Each unit consists of one common share and one transferable common share purchase warrant. Each warrant is exercisable to purchase one warrant share for a two year period at a price of \$0.40 in the first year and \$0.55 in the second year.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the period. Actual results could differ from these estimates. The Company's management reviews these estimates and underlying assumptions on an ongoing basis, based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to estimates are adjusted for prospectively in the period in which the estimates are revised. Significant areas requiring the use of management estimates include:

- i) The determination of the fair value of stock options and agent's warrants using stock pricing models, require the input of highly subjective assumptions, including the expected price volatility. Changes in the subjective input assumptions could materially affect the fair value estimate.
- ii) The determination of deferred income tax assets or liabilities requires subjective assumptions regarding future income tax rates and the likelihood of utilizing tax carry-forwards. Changes in these assumptions could materially affect the recorded amounts.

### **FINANCIAL INSTRUMENTS**

The Company classified its financial instruments as follows: cash and restricted cash classified as loans and receivables and measured at amortized cost; trade and other payables and amounts due to related parties as other financial liabilities and measured at amortized cost. The carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments.

#### **Financial risk management**

The Company's financial risks arising from its financial instruments are credit risk, liquidity risk, interest rate risk and foreign exchange rate risk. The Company's exposures to these risks 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 on a timely and effective manner.

### *Credit risk*

Credit risk is the risk of potential loss to the Company if the counter party to a financial instrument fails to meet its contractual obligations. The credit risk of the Company is associated with cash and cash equivalents and restricted cash. The credit risk with respect to its cash and cash equivalents and restricted cash is minimal as they are held with high-credit quality financial institutions. Management does not expect these counterparties to fail to meet their obligations.

### *Liquidity risk*

Liquidity risk is the risk that the Company will not meet its obligations associated with its financial liabilities as they fall due. The Company performs cash flow forecasting for each fiscal year to ensure there is sufficient cash available to fund its projects and operations. As at March 31, 2018, the Company had a cash balance of \$1,910,834 and current liabilities of \$807,133. The Company's financial liabilities include trade and other payables which have contractual maturities of 30 days or are due on demand.

At present, the Company's operations do not generate cash flow. The Company's primary source of funding has been the issuance of equity securities through private placements and the exercise of stock options and warrants. Despite previous success in completing these financings, there is no guarantee of obtaining future financings.

### *Interest rate risk*

Interest risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. The Company is exposed to interest rate risk to the extent that the cash maintained at the financial institutions. The interest rate risks on cash and restricted cash are not considered significant due to their short-term nature and maturity.

### *Foreign exchange rate risk*

Foreign exchange risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. At March 31, 2018, the Company had financial assets of \$1,092,524 and financial liabilities of \$482,450 denominated in United States dollars. A 10% strengthening of the US dollar would affect net loss by approximately \$61,000. The Company does not hedge its foreign exchange risk.

## **OUTSTANDING SHARE DATA**

The Company had the following common shares, stock options and warrants outstanding as at the date of this report on a post consolidated basis:

|                                      |            |
|--------------------------------------|------------|
| Issued and Outstanding Common shares | 68,121,536 |
| Stock options                        | 5,875,000  |
| Warrants                             | 21,982,598 |
|                                      | 95,979,134 |

## **CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION**

There were no new standards effective April 1, 2017 that had an impact on the Company's consolidated financial statements.

A number of new standards and amendments to existing standards have been issued by the IASB that are mandatory for future accounting periods. The Company has not applied these new standards in preparing these consolidated financial statements. The following pronouncements are considered by the Company to be the most significant of several pronouncements that may affect the consolidated financial statements in future periods.

- New standard IFRS 9 *Financial Instruments* (“IFRS 9”) has been issued by the IASB to replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 has two measurement categories: amortized cost and fair value. The mandatory effective date of IFRS 9 is for annual periods beginning on or after January 1, 2018. The Company does not expect any significant impact of adopting IFRS 9 on its consolidated financial statements.
- New standard IFRS 16 *Leases* (“IFRS 16”) has been issued by the IASB to replace IAS 17 *Leases* and the related interpretive 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 is not substantially changed. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15 *Revenue*. The Company is currently evaluating the impact of adopting IFRS 9 on its consolidated financial statements.

Other new standards or interpretations with future effective dates are either not applicable or not expected to have a significant impact on the Company’s financial statements.

## **Comparative Figures**

Certain comparative figures have been reclassified to conform to the current period’s presentation.

## **RISK AND UNCERTAINTIES**

### *Operating Hazards and Risks*

Mineral exploration involves many risks. The operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, any of which could result in work stoppages and damage to persons or property or the environment and possible legal liability for any and all damage. Fires, power outages, labour disruptions, flooding, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are some of the risks involved in the conduct of exploration programs. In addition, certain properties of the Company are located within the areas that may include Native American asserted traditional territories, and the exploration and development of these properties may affect or be perceived to affect asserted Native American rights and titles, which may cause permitting delays or opposition by Native American groups.

### *Environmental Factors*

The Company currently conducts exploration activities in South Dakota of US. Such activities are subject to various laws, rules and regulations governing the protection of the environment. Such legislation imposes rigorous standards on the mining industry to reduce or eliminate the effects of waste generated by extraction and processing operations and subsequently deposited on the ground or emitted into the air or water.

All phases of the Company’s operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which requires stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company’s

operations. The cost of compliance with changes in governmental regulations has the potential to preclude entirely the economic development of a property.

The Company is able to conduct its exploration within the provisions of the applicable environmental legislation without undue constraint on its ability to carry on efficient operations. The estimated annual cost of environmental compliance for all properties held by the Company in the exploration stage is minimal and pertains primarily to carrying out diamond drilling, trenching or stripping. Environmental hazards may exist on the Company's properties, which hazards are unknown to the Company at present, which have been caused by previous or existing owners or operators of the properties.

#### *Governmental Regulation*

Exploration activities on the Company's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect the Company's operations. Changes in such regulation could result in additional expenses and capital expenditures, restrictions on the availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

The Company is at the exploration stage on all of its properties. Exploration on the Company's properties requires responsible best exploration practices to comply with company policy, government regulations, maintenance of claims and tenure. All mining activities in South Dakota, regardless of the private or public status of the land on which they occurs, are regulated through the South Dakota Mined Land Reclamation Act, and the South Dakota Mined Land Reclamation Regulations. The South Dakota Department of Environment of Natural Resources (DENR) administers the state mining laws; mining-related environmental permits are issued by the DENR and its governor appointed citizen boards.

If any of the Company's projects are advanced to the development stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

#### *Additional Funding Requirements*

Further exploration on and development of, the Company's projects will require additional resources and funding. The Company currently does not have sufficient funds to fully develop these projects. In addition, any positive production decision, if achieved, would require significant funding for project engineering and construction. Accordingly, the continuing development of the Company's properties will depend upon the Company's ability to obtain financing through debt financing, equity financing, the joint venturing of projects, or other means. There is no assurance that the Company will be successful in obtaining the required financing for these or other purposes, including for general working capital.

### **FORWARD LOOKING STATEMENTS**

This MD&A contains certain forward-looking information and statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions as at the date of this MD&A. The words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets", "may", "will" and similar expressions identify forward-looking statements. Information concerning the interpretation of drill results may also be considered a forward-looking statement; as such information constitutes a prediction of what mineralization might be found to be present if and when a project is actually developed. The forward-looking statements reflect the current beliefs of the management of the Company, and are based on currently available information. Readers are cautioned not to place undue reliance on these statements as they are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Company to differ materially from those expressed in, or implied by, such

forward-looking statements. The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason.

## **DISCLOSURE CONTROLS**

In connection with Exemption Orders issued by each of the securities commissions across Canada, the Chief Executive Officer and Chief Financial Officer of the Company will file a Venture Issuer Basic Certificate with respect to the financial information contained in the audited annual financial statements and respective accompanying Management's Discussion and Analysis.

In contrast to the certificates under National Instrument ("NI") 52-109 (Certification of disclosure in an Issuer's Annual and Interim Filings), 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.

## **ADDITIONAL INFORMATION**

Additional information concerning the Company and its operations is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company web site at [www.mineralmtn.com](http://www.mineralmtn.com).

## **APPROVAL**

The Board of Directors of Mineral Mountain Resources Ltd. has approved the contents of this management discussion and analysis on July 5, 2018. A copy of this MD&A together with the Company's audited consolidated financial statements for the year ended March 31, 2018 will be provided to anyone who requests it.