

**BESSOR MINERALS INC.**  
**(formerly Troymet Exploration Corp.)**  
**MANAGEMENT DISCUSSION AND ANALYSIS**

This Management Discussion and Analysis (“MD&A”) for the year ended October 31, 2019 was prepared with information available up to January 24, 2020 and should be read in conjunction with the Company’s consolidated financial statements and accompanying notes for the year ended October 31, 2019.

The financial information presented in this MD&A and referenced above are in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The significant accounting policies are set out in Note 4 of the audited consolidated financial statements of the Company as at October 31, 2019 and for the year then ended.

Any scientific or technical information, as described in National Instrument 43-101 *Standards of Disclosure for Mineral Projects* (“NI 43-101”), disclosed in this MD&A has been reviewed and approved by Dr. Kieran Downes, P.Ge, President and Chief Executive Officer of Bessor Minerals Inc. and a Qualified Person, as defined by NI 43-101, under whose direction the Company's exploration program is being carried out.

### **Company Overview**

Bessor Minerals Inc. (formerly Troymet Exploration Corp. (“Troymet”)) (“Bessor” or the “Company”) was incorporated under the *Business Corporations Act* (Alberta) on June 4, 2007. A Plan of Arrangement between the Company, Signet Minerals Inc. and Cash Minerals Ltd. was completed on August 7, 2007 and the Company became a reporting issuer at that time. The Company was listed on the TSX Venture Exchange (“TSX-V”) on September 20, 2007. The trading symbol is “BST”.

On April 11, 2019, the Company changed its name to Bessor Minerals Inc. and completed a consolidation of its common shares on the basis of one new common share for every existing ten common shares.

The Company is involved in gold and base metal exploration. Bessor’s corporate strategy is to acquire interests in projects that have the potential to host large, high-grade gold and base metal deposits. Currently, all of the Company’s projects are located in British Columbia.

As of the date of this MD&A, Bessor has not earned any production revenue nor found any resources on any of its properties. The Company is a reporting issuer in British Columbia and Alberta.

### **Outlook**

Bessor holds an option to acquire a 100% interest in the 3,689.75-hectare Redhill property, located approximately 80 kilometres west of Kamloops and 10 kilometres south of Ashcroft, British Columbia. Under the terms of the option, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making \$460,000 in option payments, issuing 800,000 common shares of the Company and spending \$600,000 in exploration expenditures over a ten-year period. If the Company exercises the option, Homegold Resources Ltd. (“Homegold”) will retain a 2% net smelter return royalty (“NSR”), one-half (1%) of which can be purchased by the Company

for \$1,000,000 at any time. Bessor believes there are copper-zinc-gold targets that can be quickly and cost-effectively drill tested on the Redhill property.

Bessor completed the sale of its 100% interest in the Key property to New Gold Inc. (“New Gold”) in December 2013. As part of the transaction, Bessor was granted a 2% NSR on the Key property. During the year ended October 31, 2018, the Company sold one-half of its 2% NSR to New Gold for \$300,000 cash. If a valuation condition in relation to a third-party private company is satisfied before April 9, 2020, the Company will receive an additional \$81,250. As the valuation condition is uncertain, the Company has only recognized the \$300,000 received to date. New Gold can purchase the remaining 1% for \$2,000,000 cash. The third-party private company became a related party subsequent to the transaction.

At the McClarty Lake project, a joint venture agreement was established with Hudson Bay Exploration and Development Company Limited (“HBED”) holding a 60% interest and Bessor holding a 40% interest. During the year ended October 31, 2016, the Company recognized an impairment of \$1,565,117 on the McClarty Lake project as a result of no exploration plan for the foreseeable future by either HBED or Bessor. During the year ended October 31, 2018, the Company sold its investment in McClarty Lake to a private purchaser for \$100,000 cash and 225,000 common shares of the private purchaser. The Company issued 250,000 common shares (valued at \$25,000) to the purchaser as part of the sale agreement. The private purchaser became a related party subsequent to the transaction.

Troymet also holds a 100% interest in the 8,178-hectare Golden Eagle project, located just south of the Yukon-British Columbia border, 70 kilometres west-northwest of Atlin, British Columbia. The Golden Eagle project is highly prospective for gold and silver mineralization, and also has potential for volcanogenic massive sulfide (“VMS”) mineralization.

On May 31, 2019 and June 14, 2019, the Company closed a private placement in two tranches. The Company issued 7,250,000 common shares at a price of \$0.05 for gross proceeds of \$362,500. The Company incurred share issue costs of \$16,643 in relation to the private placement.

### **Going Concern**

The Company is in the process of exploring and evaluating its mineral exploration and evaluation assets. On the basis of the information to date, it has not yet determined whether these assets contain economically recoverable ore reserves. The underlying value of the mineral exploration and evaluation assets and related deferred costs is entirely dependent on the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete development and upon future profitable production. The amounts shown as mineral exploration and evaluation assets and deferred exploration costs represent net costs to date, less any amounts written off, and do not necessarily represent present or future values.

The Company’s ability to continue as a going concern is dependent on accessing capital markets or entering into collaborative agreements that would provide additional financing. The outcome of these matters is materially uncertain at this time.

Realization values may be substantially different from carrying values as shown. The consolidated financial statements for the year ended October 31, 2019 do not include any adjustments that would be necessary to the carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

## **Significant Accounting Estimates**

Significant areas requiring the use of management estimates include the determination of impairment of mineral exploration and evaluation assets, the recoverability and measurement of deferred income tax assets and liabilities, the recognition and valuation of provisions for restoration and environmental liabilities, and assumptions used in valuing options in share-based compensation calculations. Management believes the estimates are reasonable; however, actual results could differ from those estimates and could impact future results of operations and cash flows.

## **Significant Accounting Judgments**

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the consolidated financial statements within the next financial year include the Company's going concern assessment.

## **Exploration Projects**

Dr. Kieran Downes, P.Geo., President and Chief Executive Officer is the Qualified Person under NI 43-101 who has reviewed the scientific and technical disclosure provided below.

### **Redhill Property – Copper, Gold, Zinc and Silver**

Bessor holds an option to acquire a 100% interest in the 3,689.75-hectare Redhill property, located approximately 80 kilometres west of Kamloops and 10 kilometres south of Ashcroft, British Columbia.

Under the terms of the option, dated July 8, 2015 and as amended July 30, 2019, the Company may acquire a 100% interest in the Redhill property located in British Columbia by making option payments as follows:

- \$5,000 upon signing of the agreement (paid);
- \$5,000 on the first and second anniversaries of the agreement (paid);
- \$10,000 on the third anniversary of the agreement (paid);
- \$7,500 and 300,000 common shares of the Company upon TSX-V acceptance of the amendment (paid and issued);
- \$12,500 and 500,000 common shares of the Company on the fifth anniversary of the agreement;
- \$40,000 on the sixth through ninth anniversaries of the agreement; and
- \$255,000 on the tenth anniversary of the agreement.

In addition to the option payments, the Company must spend \$600,000 on exploration under the terms of the original agreement as follows:

- \$20,000 on or before the first anniversary of the agreement (spent);
- \$50,000 on or before the second anniversary of the agreement (spent);
- \$150,000 on or before the third anniversary of the agreement (spent);
- \$30,000 on or before the fourth through ninth anniversaries of the agreement (spent);
- An additional \$100,000 on or before October 2020, as a result of the July 30, 2019 amendment; and

- \$100,000 on or before the tenth anniversary of the agreement.

If the Company exercises the option, Homegold will retain a 2% NSR, one-half (1%) of which can be purchased by the Company for \$1,000,000 at any time. In the event of commercial production or sale of 100% of the property, Homegold will receive a bonus payment of \$500,000 in cash or shares at the election of Homegold. Expenditures can be accelerated at the Company's election and excess expenditures in any year will be credited towards future years.

Bessor believes there are copper-zinc-gold targets that can be quickly and cost-effectively drill tested in the "Redhill" and "Beta (Feedlot)" zones, as well as in extensions to the south. In its evaluation of the property, Bessor identified potential settings for mineralization in the stratigraphic hanging wall west of the Redhill zone. Soil geochemistry shows base metal and gold anomalies offset from the Redhill zone that have not been tested and there are also some strong electromagnetic ("EM") conductors in the Beta zone that have not been drilled. The mineralization in the Redhill zone is a very prominent gossan developed on a VMS exhalative, stockwork feeder zone. Mineralization in the Beta zone appears to be more akin to exhalative iron formation. Past drilling of EM conductors in both zones returned encouraging intersections including: 7.75 metres (or "m") with 2.54% copper, 2.78% zinc, 77.0 g/t silver and 0.37% gold over 7.75 metres; 2.08% copper, 7.5 g/t silver over 1.35 metres; 0.56% copper, 0.79g/t silver over 2.95 metres; and 0.59% copper, 1.6% zinc, 1.91g/t silver and 0.39g/t gold over 2.58 metres (British Columbia Assessment Report Indexing System ("ARIS") Report #28371).

The volcanic sequence of the Redhill sector is exposed in a five kilometres-wide, NNW-striking, thrust slice over a distance of at least 20 kilometres. The geology is interpreted to be chemically analogous and age equivalent to the Permo-Triassic age Kutcho Assemblage that hosts the Kutcho Creek Cu-Pb-Zn-Ag VMS deposit in northern British Columbia. The potentially analogous Kutcho deposit currently owned by Kutcho Copper Corp. reportedly hosts Probable Mineral Reserve (2017 estimate) of 10.4 Mt @ 2.01% Cu, 3.19% Zn, 34.61 g/t Ag and 0.37 g/t Au (see Kutcho Copper Corp.'s website <https://www.kutcho.ca/projects/kutcho-project/>). Management of Bessor is not aware of a NI 43-101 resource on the Redhill project and analogous deposits such as the Kutcho deposit should not be considered an indication that a resource is contained or will be discovered on the Redhill project.

### Alpha Zone

The Alpha zone, approximately 2.0 x 2.5 kilometres, encompasses a sequence of felsic to intermediate volcanics, the historic "Redhill zone", as well as an extensive area of untested soil anomalies (copper >> zinc >>> silver). The volcanics, associated alteration and mineralization are interpreted to represent a stringer zone in the footwall of a VMS exhalative system. A primary target is an untested, strong, off-hole Pulse EM conductor in the vicinity of hole RH-06-25, which intersected 8.97% copper, 4.96 % zinc, 1.27 g/t gold and >30.0 g/t silver over 2.04 metres, including 10.15% copper, 5.45% zinc, 1.41 g/t gold, and >30.0 g/t silver over 1.74 metres. Bessor has re-logged and confirmed this mineralized intersection. The untested off-hole Pulse EM conductor indicates extensions to this mineralization (Avalon Ventures Ltd. News Release, October 31, 2006).

A 2006 fixed-loop transient EM ("FLTEM") survey identified 11 EM conductors in an area ~600 x 1,100 metres. The mineralization in hole RH-06-25 is associated with a medium strength, 200-metre long conductor. Conductors along strike, and other nearby stronger conductors, have not been drill tested (British Columbia ARIS Report #28525).

On December 1, 2015, Bessor reported it had been awarded a British Columbia *Mines Act* multi-year permit for its diamond drilling program on the Alpha and Beta zones of the Redhill project. The permit also authorizes Bessor to conduct induced polarization surveys over the target zones.

In a June 20, 2016 news release, Bessor reported that it received the final results from a Volterra-3DIP survey over the Alpha zone, Redhill project. While final modelling and interpretation of the data is underway, preliminary results show a domain of high chargeability and resistivity along the west side of the grid at a depth of ~200 metres. This domain is flanked to the east by a domain of low chargeability. While the geology and structures of the different domains remain to be confirmed, it is clear the 3DIP data is mapping previously unrecognized and fundamental geological patterns in the Alpha zone that will guide exploration. The Redhill VMS prospect occurs in a prospective volcanic sequence that tracks the contact of the high/low chargeability domains. This contact will be a focus of future exploration. The VMS prospect is associated with a 200-metre long FLTEM conductor, as well as Borehole Transient EM conductors. Hole RH06-25, re-logged, quartered and re-assayed by Bessor, returned: 8.75% copper, 4.75% zinc, 1.22 g/t gold and 61.19 g/t silver over 2.04 metres. The mineralization is open along strike and to depth. The survey also identified a large chargeability anomaly (> 20 milliseconds), over an area of ~280 x 260 metres, just west of the VMS prospect, and another (16-18 milliseconds), over an area ~210 x 100 metres, in the southeast part of the grid. There is no record of drilling or other exploration on either of these targets.

The Volterra-3DIP survey was conducted by SJ Geophysics Ltd. of Vancouver. Nine lines (10.8 kilometres) at a spacing of 150 metres were surveyed.

On July 25, 2016, the Company reported that a program of detailed follow-up soil sampling and prospecting of 3DIP anomalies on the Alpha zone and evaluation of the gold-, copper- and zinc-in-soil anomalies on the Alpha South zone is complete. New drill targets have been identified associated with slumped/mechanically transported sulphides and the area of volcanic stratigraphy prospective for the discovery of VMS deposits has been significantly expanded.

The 3DIP survey mapped previously unrecognized and fundamental geologic patterns in the Alpha zone where the geologic sequence dips steeply west (~75°). The 3DIP shows where sulphides are introduced into the volcanic sequence accompanied by increased silicification, which is mapped by the resistivity. Plentiful breccia boulders, several of which contain massive sulphide blocks have been found in a prospective volcanic sequence (~100 m wide) that is coincident with the strong, chargeability/resistivity anomaly. The horizon is located ~70 m into the hanging wall of the VMS prospect. The sulphides are dominantly of pyrite with trace to minor chalcopyrite. The boulders represent slump features and/or mechanically transported mineralization likely the result of brecciation at source, transport down-slope by gravity-driven submarine debris flows, and deposition in depressions. What is geologically termed “transported ore” can form substantial bodies of mineralization, as in the Buchans and Boundary VMS deposits in Newfoundland.

The prospective volcanics, chargeability and resistivity anomalies continue to the west beneath the adjacent valley through which the Trans Canada Highway runs. A percussion hole (R87-7) drilled in the valley intersected copper mineralization in volcanics. It demonstrates the potential for the discovery of significant mineralization in this area:

“In the current program the best hole was R87-7 which intersected 1,236 ppm copper from 171 to 204 metres along with 1,694 ppm zinc, 5.7 ppm molybdenum and 2.4 ppm silver. The remainder of the hole was not anomalous. The higher-grade intersection was associated with a relatively high pyrite content of 5% compared with 2% for most of the hole. Here the host rock consisted of

interbedded rhyolites and andesites with chlorite-sericite-quartz-pyrite alteration with minor chalcopyrite mineralization.” (1987 British Columbia ARIS Report #17263).

Detailed (100 m x 25 m) soil sampling was undertaken along the ~900 m x ~250 m gold-in-soil anomaly. Anomalous sample sites were also pitted and sampled. Results will be released once received and evaluated. Prospecting identified shearing with local quartz and quartz-carbonate veining along a magnetic low in a diorite intrusive. The gold-in-soil anomalies track this structure.

The strongest gold-, copper- and zinc-in-soil anomalies in the Alpha South zone were prospected and pitted. The copper and zinc anomalies appear to be associated with structures/shearing possibly associated with particular volcanic horizons. Further work is required to confirm this possibility. The gold anomalies appear to be related to rhyolite. Sheared rhyolite in an area of anomalous gold-in-soil, on the south side of the zone, is altered to white clay. The rhyolite contains high levels of mercury (2,500 ppb) (British Columbia ARIS Report #23423). Further work is required to evaluate the significance of the gold-in-soil anomalies and the implications of the high mercury levels in the rhyolite.

On November 15, 2016, Bessor reported results of its 2016 drill program. Hole RH16-04 intersected a new, near surface zone of copper mineralization (“Upper Zone”). The hole, drilled from a platform excavated into the side of a hill, intersected mineralization grading 0.72% copper and 6.5 g/t silver over 6.5 metres, starting at a depth of 5.1 metres. The copper mineralization extends upwards an additional 3.8 metres to the base of the casing; however, because of poor recovery in this interval, a reportable mineralized interval cannot be calculated. Secondary copper mineralization (malachite and chrysocolla) is present in the wall of the drill platform. The downhole width of the mineralized zone is estimated to be in excess of 11.5 metres. Bessor plans to strip, map, trench and sample the mineralization prior to further drilling.

Hole RH16-04 also intersected VMS mineralization grading 0.64% copper and 1.5% zinc over 2.0 metres from 206.3-208.3 metres downhole (“Lower Zone”). This intersection is ~20 metres laterally and ~20 metres higher than the mineralization in hole RH-06-25 (8.75% copper, 4.75% zinc, 1.22 g/t gold and 61.19 g/t silver over 2.04 metres). The mineralization in hole RH-06-25 comprises VMS and stringer zone mineralization. The mineralization in hole RH16-04 consists only of VMS mineralization with durchbewegung texture. The mineralization is crudely bedded and dips ~65° to the west. The topography also drops off to the west into a prominent valley. The mineralization is open along strike and to depth, and lies deeper than was tested by previous drilling in the VMS prospect. Additional drilling is required to explore and delimit this significant area of VMS mineralization.

The Upper and Lower zones are ~195 metres apart downhole. A one-metre band (bed?) of massive pyrite was intersected at 161.8 metres. Centimetre-wide bands of pyrite with trace chalcopyrite occur in the overlying and underlying quartz-eye felsic tuffs along with 5-50% disseminated and irregular concentrations of pyrite. The best assay, 0.15% copper and 1.32 g/t silver over 5.0 metres, together with the geology, indicates the potential for the development of significant copper mineralization, off hole, along this horizon.

Bessor has identified a characteristic tuffaceous subaqueous ash flow unit, commonly with pyroclastic fragmental textures, that is associated with the VMS mineralization. The unit contains prominent blue quartz "eyes" (phenocrysts) in a matrix composed mainly of feldspar and quartz. Mafic minerals are minimal. The recognition of this important unit will guide future exploration.

**Table 1: Drill Hole Intersections**

Hole	From (m)	To (m)	Width (m)	Cu %	Zn %	Ag g/t	Au g/t
RH16-04	5.10	11.60	6.50	0.72		6.50	
	156.80	160.80	4.00	0.02	0.27		
incl.	157.80	158.80	1.00		0.79		
	160.80	165.80	5.00	0.15		1.32	
incl.	165.30	165.80	0.50		0.46		
	206.30	208.30	2.00	0.64	1.50		
RH16-03	33.80	34.80	1.00	0.29			1.20

Widths presented in Table 1 are downhole core lengths; true widths cannot be reliably estimated at this time. Core samples were analyzed at ALS Global, Vancouver.

Hole RH16-03 was drilled, in part, to twin hole RH-05-23 and to test for shallow mineralization. The best intersection (0.29% copper and 1.2 g/t gold over 1.0 metre from 33.8-34.8 metres downhole) was obtained from pyrite stringer mineralization. The high-grade mineralization in hole RH-05-23 (2.08% copper and 7.5 g/t gold) was also obtained from pyrite-chalcopyrite stringers, but from ~45 metres deeper. As in the case of the intersections in holes RH16-04 and RH-06-25, this indicates the better mineralization lies deeper than was previously tested by drilling on the VMS prospect. A new mineralized horizon of bedded pyrite with felsic clasts (cm) as xenoliths in the sulphide was intersected from 8.9-11.3 metres. In the overlying quartz-eye felsic tuff (6.0-8.9 metres) pyrite veins/veinlets (mm – 2 cm) constitute ~30% of the core. Copper (255-405 ppm) and silver (1.33-3.62 g/t) are elevated. Along strike or at depth, this mineralized horizon may host significant copper mineralization in this productive environment.

Hole RH16-05 tested a newly identified chargeability anomaly (+/- 100 metres depth), and a copper- and zinc-in-soil anomaly, on Horizon 2. The hole, drilled ~100 metres north of the VMS prospect, cut a sequence of quartz-eye felsic tuffs with variably developed pyrite (+ pyrrhotite) as stringers, disseminations and bands to ~30%. While the geology appears to be similar to that in the VMS prospect, no copper, zinc or precious metal mineralization was intersected.

Hole RH16-01, drilled ~350 metres southwest of the VMS prospect to test a large >20 millisecond chargeability anomaly on Horizon 3, identified pyrite as stringers, disseminations and bands (to ~60%) in intermediate volcanics as the source of the anomaly. The best assay was 0.08% copper over 0.7 metres. This hole was probed with a Volterra borehole EM survey; no conductors were identified. Following completion of the drill program, it is now recognized that the favourable and prospective VMS geology occurs stratigraphically below this horizon.

Hole RH16-02, drilled to test a chargeability anomaly on Horizon 3, intersected pyritic felsic volcanics. Local intervals, up to 7.0 metres in width, contain increased concentrations of pyrite including bands/seams to 5 cm, which are anomalous in copper (to 0.33% over 1.0 metres), and also carry elevated zinc values (to 621 ppm). This mineralization is interpreted to be distal to more significant accumulations of VMS mineralization. Breccia boulders containing massive sulphide blocks representing slump features and/or mechanically transported mineralization have been found in this locale. Their source has not been found. Further drilling is required to evaluate this area.

On August 17, 2017, Bessor reported positive results from a test gravity survey over the VMS mineralization in the Alpha prospect of the Redhill project. The gravity survey identified strong anomalies associated with the Upper and Lower VMS zones and, unexpectedly, with Horizon 1. The results support Bessor's belief that significant VMS mineralization likely occurs at depth in the Upper

and Lower VMS zones. The unexpectedly strong anomaly associated with Horizon 1 suggests an untested mineralized mass at depth. The single test line was orientated orthogonal the Upper Zone and Lower Zone VMS mineralization, and to the three stacked horizons hosting VMS mineralization. Several gravity highs can be identified on the overall Bouguer Gravity profile. One high is associated with the Upper Zone mineralization (~300 metres). The Lower Zone mineralization may be related to the broad, lower amplitude gravity high from ~340 to 500 metres. However, the Lower Zone dips at ~65° under the Upper Zone with the result that the strong anomaly at ~300 metres is thought to be the result of the superimposition of the two zones. Alternatively, the gravity is indicating a significant sulphide mass associated with the Upper Zone. The best massive sulphide mineralization was intersected in holes RH16-04 and RH06-25. Mineralization between these two strong intersections and surface is typically thin and stringer-like as might be expected peripheral to a well-developed VMS deposit. A borehole EM survey (“BHEM”) of RH06-25 identified an off-hole response at 30 Hertz, with conductivities in the range of 100 to 300 Mhos indicating a potentially large body of mineralization under holes RH16-04 and RH06-25. This is the primary drill target in this area.

A second significant high is associated with Horizon 1 and its associated FLTEM conductor. The strong gravity anomaly indicates potential at depth. Horizon 1 has not been drill tested at depth and the FLTEM conductor has not been drill tested along strike. The distribution of sulphides in Horizon 1 may mimic the Lower Zone with the better VMS mineralization occurring at depth. This is an important drill target.

A broad, lower amplitude gravity high occurs within Horizon 3. Gravity anomalies also occur at the start (0 metres) and finish (700 metres) of the survey line. These anomalies have not been delineated. The anomaly at 700 metres occurs with a FLTEM conductor, which is likely mapping a potentially mineralized horizon. This has not been drilled.

The anomaly at 0 metres lies in an overburden covered valley and on the north flank of the induced polarization/magnetic high drill tested by the Company in 2016 (hole RH16-01). This hole was probed with BHEM; no conductors were identified. Following completion of the 2016 drill program, and with a better understanding of the stratigraphy of the volcanic pile, it was recognized that the favourable and prospective VMS geology occurs stratigraphically below this horizon, to the northeast, towards Horizon 3.

### Beta Zone

The Beta zone, approximately 2.5 x 2.5 kilometres, encompasses a sequence of felsic to intermediate volcanics, graphitic sediments, iron formation +/- locally laminated semi-massive to massive sulphides containing pyrrhotite +/- pyrite +/- minor chalcopyrite. Borehole S83-4 is reported to have intersected stringer zone mineralization grading 2.54% copper, 2.78% zinc, 77.0 g/t Ag, and 0.37 g/t Au over 7.75 metres (British Columbia ARIS Report #28371). There is no core extant from this hole for re-logging or confirmatory sampling. The Beta zone appears to stratigraphically overlie the Alpha zone in the volcanic sequence. Numerous EM, IP/R and magnetic anomalies are present. Bessor is evaluating the geology, geochemistry, and the EM, IP/R and magnetic anomalies to identify drill targets.

In its November 15, 2016 news release, Bessor reported the 2016 induced polarization (“IP”) survey identified a new, large chargeability anomaly associated with the 40 Mhos Beta target, which is located on a 550-metre long EM conductor. The Beta target, the chargeability anomaly, and the host conductor have never been drilled. The Company plans to drill test this target as part of the next drill program.

## **Golden Eagle Project – Gold and Silver**

The 8,178-hectare Golden Eagle project is located just south of the Yukon-British Columbia border, 70 kilometres west-northwest of Atlin, British Columbia. The Company controls a 100% interest in the project subject to a 1% NSR payable to a third-party on certain claims.

Golden Eagle is situated at the southern end of the Tintina Gold Belt, which contains many intrusion-related gold deposits such as Pogo (Alaska), Fort Knox (Alaska), Dublin Gulch (Yukon) and White Gold (Yukon). The property has the potential to host several deposit types, including bulk tonnage intrusion-related deposits with associated skarn deposits, high-grade gold-silver vein-hosted deposits and VMS deposits. Thirteen separate mineralized zones have been identified to date over the property's 25-kilometre long extent.

During the year ended October 31, 2015, the Company determined that the Golden Eagle property was impaired. An impairment charge of \$1,782,794 was recognized in net loss for the year ended October 31, 2015, reflecting the exploration expenditures incurred on the property prior to 2009, when the Company moved the exploration target on the property from the Middle Ridge to the Northern Block.

During the year ended October 31, 2017, the Company determined that the Golden Eagle property was further impaired. An impairment charge of \$1,013,603 was recognized in net loss for the year ended October 31, 2017.

Further information on the Golden Eagle project is available in a NI 43-101 technical report entitled “Technical Report, Golden Eagle Property, Atlin Mining Division, British Columbia” by J. Michael Wark, P.Geo., dated July 9, 2012 and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) July 10, 2012.

## **Key Project – Copper, Zinc and Gold**

Bessor completed the sale of its 100% interest in the 8,854-hectare Key property to New Gold in December 2013. The property is located 125 kilometres southwest of Vanderhoof, British Columbia.

In connection with the transaction, New Gold committed to spend \$1,500,000 on the property, with a minimum of \$500,000 of expenditures on or before December 31, 2014 and the balance of \$1,000,000 of expenditures on or before December 31, 2018, subject to certain conditions. New Gold completed the full \$1,500,000 expenditure commitment in calendar 2014.

As part of the transaction, Bessor was granted a 2% NSR on the Key property. In April 2018, the Company sold one-half of its 2% NSR to New Gold for \$300,000 cash. If a valuation condition in relation to a third-party private company is satisfied before April 9, 2020, the Company will receive an additional \$81,250. As the valuation condition is uncertain, the Company has only recognized the \$300,000 received to date. New Gold can purchase the remaining 1% for \$2,000,000 cash. The third-party private company became a related party subsequent to the transaction.

## Selected Annual Information

	Year Ended October 31, 2019	Year Ended October 31, 2018	Year Ended October 31, 2017
Operating Expenses	\$119,209	\$285,570	\$1,872,435
Other Income Interest	\$3,765	\$2,902	\$1,279
Net Income (Loss) Per Share - Basic and Diluted	(\$115,444) (\$0.01)	\$92,332 \$0.01	(\$1,871,156) (\$0.15)
Capital Expenditures	\$8,700	\$17,767	\$110,214
Total Assets	\$950,193	\$728,004	\$580,848
Total Liabilities	\$14,973	\$41,197	\$12,719

## Results of Operations

### Three Months Ended October 31, 2019

In the three months ended October 31, 2019, Bessor realized a net loss of \$31,492 (2018 - \$52,840) for the period, including finance income of \$946 (2018 - \$1,170).

The expenses for the quarter included general and administration expenses of \$3,566 (2018 - \$5,839), management fees of \$6,000 (2018 - \$30,000), professional fees of \$17,198 (2018 - \$14,091), public company costs of \$5,400 (2018 - \$2,563), and travel and related costs of \$263 (2018 - \$3,035).

General and administration expenses were reduced in 2019 due to less activity.

Management fees were lower as no fees were paid to the CEO in 2019.

Professional fees were higher in 2019 due to timing of expenditures.

Public company costs were higher in 2019 due to additional filings required.

### Year Ended October 31, 2019

In the year ended October 31, 2019, Bessor realized a net loss of \$115,444 (2018 - net income of \$92,332) for the year, including finance income of \$3,765 (2018 - \$2,902). The Company also realized an exchange difference on translating foreign operations of \$nil (2018 - \$1,134) included in other comprehensive loss.

The expenses for the period included general and administration expenses of \$15,882 (2018 - \$23,795), management fees of \$28,000 (2018 - \$120,000), professional fees of \$40,223 (2018 -

\$78,823), public company costs of \$31,742 (2018 - \$42,657), share-based compensation of \$nil (2018 - \$2,480) and travel and related costs of \$6,422 (2018 - \$19,364). The Company also recognized income of \$300,000 on the sale of the Key NSR and a gain of \$75,000 on the sale of McClarty Lake during 2018.

General and administration expenses, public company costs, and travel and related costs were lower in 2019 due to less activity.

Management fees were lower in 2019 due to a credit received on Q1 invoices and no fees charged by the CEO for calendar 2019.

Professional fees were higher in 2018 due to additional work required on the sale of the investment in McClarty Lake and the Key NSR.

### **Liquidity and Capital Resources**

The Company's practice is to proceed with staged exploration where each stage is dependent on successful results of the preceding stage. Bessor relies on proceeds of equity financings to fund its exploration commitments and discharge its liabilities as they come due.

At October 31, 2019, the Company had a working capital balance of \$543,106 (2018 - \$298,621). During the year ended October 31, 2019, the Company's working capital increased as a result of the private placement closed on May 31, 2019 and June 14, 2019, for gross proceeds of \$362,500.

Bessor will be required to raise additional financing in order to continue its exploration programs and cover its operating expenditures for 2020 and beyond. However, there is no assurance that funding will be available on terms acceptable to the Company or at all. If such funds cannot be secured, the Company may be forced to curtail additional exploration and/or property acquisition efforts.

## Capital Expenditures

The Company's primary capital expenditures for the years ended October 31, 2019 and 2018 were on its mineral exploration and evaluation assets as follows:

	<b>Redhill</b>
<b>Balance, October 31, 2017</b>	<b>\$ 376,497</b>
<b>Acquisition Costs</b>	15,000
<b>Deferred Exploration Costs</b>	
Drilling	1,200
Geological	1,567
<b>Total Deferred Exploration Costs</b>	2,767
<b>Mineral Exploration Tax Credit</b>	(28,503)
<b>Balance, October 31, 2018</b>	<b>365,761</b>
<b>Acquisition Costs</b>	25,500
<b>Deferred Exploration Costs</b>	
Drilling	1,200
<b>Total Deferred Exploration Costs</b>	1,200
<b>Mineral Exploration Tax Credit</b>	(5,348)
<b>Balance, October 31, 2019</b>	<b>\$ 387,113</b>

## Share Information

A summary of the Company's outstanding securities is provided in the table below:

	<b>Report Date</b>	<b>October 31, 2019</b>	<b>October 31, 2018</b>
Common shares	19,985,623	19,985,623	12,435,623
Stock options	440,000	440,000	440,000
Warrants	-	-	-
<b>Fully Diluted Shares</b>	<b>20,425,623</b>	<b>20,425,623</b>	<b>12,875,623</b>

## Summary of Quarterly Results

A summary of the last eight quarters from January 31, 2018 to October 31, 2019 is provided in the table below.

	<b>QIV 31-Oct-19</b>	<b>QIII 31-Jul-19</b>	<b>QII 30-Apr-19</b>	<b>QI 31-Jan-19</b>
<b>Operations</b>				
<b>Finance Income</b>	<b>\$946</b>	<b>\$563</b>	<b>\$1,087</b>	<b>\$1,169</b>
<b>Net Loss</b>	<b>(\$31,492)</b>	<b>(\$25,175)</b>	<b>(\$21,807)</b>	<b>(\$36,970)</b>
<b>Per Share - Basic and Diluted</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>	<b>(\$0.00)</b>
<b>Statement of Financial Position</b>				
<b>Working Capital</b>	<b>\$543,106</b>	<b>\$582,098</b>	<b>\$256,068</b>	<b>\$277,875</b>
<b>Total Assets</b>	<b>\$950,193</b>	<b>\$956,503</b>	<b>\$639,097</b>	<b>\$711,463</b>
<b>Capital Expenditures</b>	<b>\$7,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,200</b>

	<b>QIV 31-Oct-18</b>	<b>QIII 31-Jul-18</b>	<b>QII 30-Apr-18</b>	<b>QI 31-Jan-18</b>
<b>Operations</b>				
<b>Finance Income</b>	<b>\$1,170</b>	<b>\$1,169</b>	<b>\$434</b>	<b>\$129</b>
<b>Net Income (Loss)</b>	<b>(\$52,840)</b>	<b>\$13,863</b>	<b>\$206,961</b>	<b>(\$75,652)</b>
<b>Per Share - Basic and Diluted</b>	<b>(\$0.00)</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>(\$0.00)</b>
<b>Statement of Financial Position</b>				
<b>Working Capital</b>	<b>\$298,621</b>	<b>\$352,925</b>	<b>\$321,582</b>	<b>\$88,885</b>
<b>Total Assets</b>	<b>\$728,004</b>	<b>\$751,698</b>	<b>\$716,486</b>	<b>\$542,084</b>
<b>Capital Expenditures</b>	<b>\$0</b>	<b>\$10,000</b>	<b>\$2,767</b>	<b>\$5,000</b>

## Transactions with Related Parties

The Company has paid or accrued fees of \$28,000 (2018 - \$120,000) to companies controlled by officers for management, administrative, accounting and technical services. These amounts are included in general and administration expenses as outlined below:

	<b>2019</b>	<b>2018</b>
Short-term compensation:		
Management fees	\$ <b>28,000</b>	\$ 120,000

Management fees consisted of:

- \$24,000 (2018 - \$24,000) paid to Meagher Consulting Inc., a private company controlled by Mr. Joseph Meagher, Chief Financial Officer of the Company; and
- \$4,000 (2018 - \$96,000) paid to Tristia Ventures Corp., a private company controlled by Dr. Kieran Downes, President, Chief Executive Officer and a director of the Company.

At October 31, 2019, included in accounts payable and accrued liabilities was \$nil (2018 - \$28,350) due to Tristia Ventures Corp. The balances owing are unsecured, non-interest-bearing and have no specific terms of repayment.

## Financial Instruments

Financial instruments are agreements between two parties that result in promises to pay or receive cash or equity instruments. The Company classifies its financial instruments as follows: cash and cash equivalents and investment in private company are classified as FVTPL; reclamation advances, as amortized cost; and accounts payable and accrued liabilities, as amortized cost. The carrying values of these instruments approximate their fair values due to their short term to maturity.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

<b>2019</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>
Cash and cash equivalents	\$	556,782	\$	-	\$	-
Investment in private company	\$	-	\$	-	\$	1

  

<b>2018</b>		<b>Level 1</b>		<b>Level 2</b>		<b>Level 3</b>
Cash and cash equivalents	\$	336,662	\$	-	\$	-
Investment in private company	\$	-	\$	-	\$	1

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

### a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The maximum exposure to credit risk at year-end is as follows:

	<b>2019</b>	<b>2018</b>
Cash and cash equivalents	\$ <b>556,782</b>	\$ 336,662

All of the Company's operations are conducted in Canada. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty.

The Company limits its exposure to credit risk on cash and cash equivalents by only investing in liquid securities offered by chartered banks. Given the credit rating of the bank and the securities owned, management does not expect significant credit losses on cash and cash equivalents.

The Company's accounts receivable consists entirely of Goods and Services Tax at October 31, 2019 and 2018.

As at October 31, 2019 and 2018, the Company's accounts receivable were current (less than 90 days). The Company believes that all outstanding balances are collectible, and therefore, there is no allowance for doubtful accounts at October 31, 2019 and 2018.

## b) 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's approach to managing liquidity is to ensure, as much as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support normal operational requirements and the growth and development of its mineral exploration and evaluation assets. The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in Note 13. Management has increased its focus on liquidity risk given the impact of the current economic and financial market climate on the availability of equity financing.

The Company's financial liabilities are comprised of accounts payable and accrued liabilities. The financial liabilities at October 31, 2019 are summarized below:

	Carrying amount	Contractual cash flows	Less than one year	One to two years	Two to five years	More than five years
Non-derivative financial liabilities						
Trade and other payables	\$ 14,973	\$ -	\$ 14,973	\$ -	\$ -	\$ -
	<b>\$ 14,973</b>	<b>\$ -</b>	<b>\$ 14,973</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

## c) Market risk

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

- i) *Currency risk* – The Company has nominal funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at year-end.
- ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash and cash equivalents is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.
- iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

## **New Accounting Standard Issued but Not Yet Effective**

### **IFRS 16 Leases**

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, International Accounting Standard 17 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

The Company does not believe the adoption of IFRS 16 will have any impact on its consolidated financial statements, and will adopt IFRS 16 at the effective date.

### **Risks and Uncertainties**

Bessor competes with other mining companies, some of which have greater financial resources and technical facilities, for the acquisition of mineral properties, claims and other interests, as well as for the recruitment and retention of qualified personnel.

All of the properties in which Bessor has an interest, or the right to acquire an interest, are in the early exploration stage and are without a known body of commercial ore. Development of Bessor's mineral properties will only follow upon obtaining satisfactory exploration results. Exploration for and the development of mineral resources involve a high degree of risk and few properties that are explored are ultimately developed into producing properties. There is no assurance that Bessor's exploration and development activities will result in any discoveries of commercial bodies of ore.

Existing and possible future environmental legislation, regulations and actions could cause additional expenses, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory and environmental approvals. There is no assurance that such approvals can be obtained on a timely basis or at all. The cost of compliance with changes in government regulations has the potential to reduce the profitability of operations.

Aboriginal peoples have claimed aboriginal title and rights to resources and various properties in western Canada, including Bessor's properties. Such claims, in relation to Bessor's lands, if successful, could have an adverse effect on Bessor or its respective operations.

Bessor will require additional financing to continue its business plan and there is no assurance that financing will be available or, if available, will be on reasonable terms. To the extent that financing is not available, Bessor may have to reduce exploration activities and work commitments may not be satisfied resulting in a loss of property ownership by Bessor.

### **Disclosure Controls and Procedures**

Management has ensured that there are disclosure controls and procedures that provide reasonable assurance that material information relating to the Company is disclosed on a timely basis, particularly information relevant to the period in which annual filings are being prepared.

Management believes these disclosure controls and procedures have been effective during the year ended October 31, 2019.

### **Transactions not Reflected on the Consolidated Statement of Financial Position**

The Company did not enter into any transactions that were not reflected on the consolidated statement of financial position as at October 31, 2019.

### **Forward-Looking Statements**

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this MD&A contains forward-looking information in respect of: the corporate strategy of the Company in relation to pursuing acquisitions and the ability of the Company to add new properties to its portfolio of projects; future exploration and development plans of the Company for its projects; the size and timing of exploration programs by Bessor or its partners, including obtaining permits for such future exploration; the exploration and discovery potential of its projects and the potential deposits or targets that may be contained on its projects; future drilling and the timing for future drilling on its projects; potential acquisitions by the Company of mineral projects; future expenditures on the Company’s projects; the potential completion of the 20 for 1 share consolidation by the Company in conjunction with an acquisition or a potential transaction; and the ability of the Company to attract additional funds if required. This forward-looking information reflects the Company’s current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. Certain assumptions can be found in the Company’s disclosure documents on SEDAR at [www.sedar.com](http://www.sedar.com). In addition, assumptions include, but are not limited to: the actual results of exploration on projects being equivalent to or better than estimated results in technical reports or prior exploration results; assumptions in respect of commodity prices; the ability of the Company to seek out and negotiate favourable acquisitions; market acceptance of the Company’s corporate strategy and acquisition strategies; the ability of the Company to obtain financing on acceptable terms; and future costs and expenses of the Company being based on historical costs and expenses, adjusted for inflation. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: the early stage development of the Company and its projects; market acceptance of mineral exploration companies and the junior exploration company model; general business, economic, competitive, political and social uncertainties; commodity prices; the actual results of current exploration and development or operational activities; competition; changes in project parameters as plans continue to be refined; accidents and other risks inherent in the mining industry; lack of insurance; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation, affecting the Company; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The

Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

**Other**

Additional information relating to Bessor's business and activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**BESSOR MINERALS INC.**  
**(formerly Troymet Exploration Corp.)**

**CORPORATE INFORMATION**

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**Share Listing**

TSX Venture Exchange  
Symbol: "BST"