

**BLACK MAMMOTH METALS CORPORATION  
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

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This MD&A is current as of **April 23, 2019**

**DESCRIPTION OF BUSINESS**

The Board of Directors of BLACK MAMMOTH METALS CORPORATION is pleased to present to its shareholders this Management’s Discussion and Analysis (“MD&A”) for the year ended December 31, 2018, which have been prepared using accounting policies consistent 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.

The following information should be read in conjunction with the audited consolidated financial statements and related notes to the financial statements of the Company for the year ended December 31, 2018 and audited financial statements and related notes to the financial statements for the year ended December 31, 2017 which are available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

The Company is a “reporting” company in the provinces of British Columbia, Alberta and Ontario. Its common shares are listed on the TSX Venture Exchange under the trading symbol “BMM”. The Company is in the business of exploring for precious metals and is currently focused its exploration at the Blanco Creek gold property in central Idaho.

**FORWARD-LOOKING INFORMATION**

In making and providing the forward-looking information included in this MD&A the Company’s assumptions may include among other things: (i) assumptions about the price of metals; (ii) that there are no material delays in the optimization of operations at the exploration and evaluation assets; (iii) assumptions about operating costs and expenditures; (iv) assumptions about future production and recovery; (v) that there is no unanticipated fluctuation in foreign exchange rates; and (vi) that there is no material deterioration in general economic conditions. Although management believes that the assumptions made and the expectations represented by such information are reasonable, there can be no assurance that the forward-looking information will prove to be accurate. By its nature, forward-looking information is based on assumptions and involves known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements, or results, to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. Such risks, uncertainties and other factors include among other things the following: (i) decreases in the price of base metals; (ii) the risk that the Company will continue to have negative operating cash flow; (iii) the risk that additional financing will not be obtained as and when required; (iv) material increases in operating costs; (v) adverse fluctuations in foreign exchange rates; and (vi) environmental risks and changes in environmental legislation.

This MD&A (See “Risks and Uncertainties”) and the Company’s annual information form contain information on risks, uncertainties and other factors relating to the forward-looking information. Although the Company has attempted to identify factors that would cause actual actions, events or results to differ materially from those disclosed in the forward-looking information, there may be other factors that cause actual results, performances, achievements or events not to be anticipated, estimated or intended. Also, many of the factors are beyond the Company’s control. Accordingly, readers should not place undue reliance on forward-looking information. The Company undertakes no obligation to reissue or update forward looking information as a result of new information or events after the date of this MD&A except as may be required by law. All forward-looking information disclosed in this document is qualified by this cautionary statement.

**OVERALL PERFORMANCE**

**Mineral Property Update**

**Blanco Creek Property**

On February 13, 2017, the Company’s subsidiary, Black Mammoth Gold, entered into an assignment and assumption agreement (“Assignment and Assumption Agreement”) with IDA Gold Corporation (“IDA”) pursuant to which IDA has assigned, and Black Mammoth Gold has assumed, all of the rights and obligations of the lessee under a long-term lease of the Blanco Creek mineral property located in central Idaho. The lease is subject to an underlying two percent (2%) production royalty in favour of the landlord and a one percent (1%) production royalty in favour of IDA. The Company will reimburse IDA for all previously paid property related expenses at cost and will be responsible for all costs of maintaining the property going forward.

**Lease Terms (in USD):**

The lease term is approximately 20 years (due date is October 14, 2036) and is renewable for up to an additional 40 years (60 years in total).

Advance Royalty Payments (“Royalty Payments”)	Payable On Or Before
\$6,000	Paid
\$8,000	Each June 1 thereafter (2017 and 2018 paid)

Provided all payments are current the Company may at any time during the life of the agreement purchase the property for \$3,000,000 from the landlord. In the alternative, and provided that all payments are current, the Company may at any time during the life of the agreement purchase each 1% of the Production Royalty in favour of the landlord for \$1,500,000. All royalty payments shall be credited against the purchase price for the Production Royalty and the Property, respectively, and any amount paid for the purchase of the Production Royalty shall be credited against the purchase price of the Property.

If the Company elects to purchase the property it will still be subject to the 1% production royalty in favour of IDA.

The lease is considered a related party transaction as the Company and IDA have two directors in common.

**On October 24, 2017**, the Company announced results from its recent rock geochemical sampling program at the Company's Blanco Creek gold property in central Idaho. Seventeen rock samples were collected and delivered to ALS Global for analysis, in an effort to confirm and expand on the property's historical rock sample results. The samples were collected primarily from quartz veins located along the Blanco Creek Shear Zone focusing on three main target areas located near the historic Alberta Mine, Hercules Mine and the Pasadena Mine.

The recent samples confirm historical gold and silver values found in 1980's and 1990's vintage data acquired with the property. The samples lay the groundwork to establish a level of continuity of precious metal mineralization along the 3550 metre (11,644 foot) strike length of the Alberta - Hercules-Pasadena vein system. The sample results also indicate that gold mineralized veins parallel to the main veins are present on the property.

Gold values ranged to a high of 27.1 grams per tonne (g/t), while silver values ranged to a high of 290 g/t. Four of the seventeen samples assayed higher than 5 g/t gold. Gold and silver values on the property tend to cluster around the old mine areas, which is partly due to the availability of exposed rock to sample. Lead is consistently elevated in the mineralized portions of the veins. Antimony, copper and molybdenum show erratic weakly anomalous values in the gold/silver mineralized areas while arsenic and mercury values are low. The following table highlights the significant gold and silver values from this recent sampling program:

Sample	Gold ≥ Silver ≥		Description
	0.5 g/t	5 g/t	
FD01	0.919	14.7	Outcrop chip of milky quartz vein with pyrite.
FD02	11.25	79.3	Outcrop chip of milky quartz vein with pyrite.
FD03	0.611		Outcrop chip of milky quartz vein with iron oxide in schist.
FD04	0.697	15.6	Outcrop chip of milky quartz vein in the lower Hercules area.
FD05	1.37		Outcrop chip of milky quartz vein.
FD07	5.75	48.5	Dump sample of milky quartz vein.
FD09	27.1	290	Trench sample of milky quartz vein with iron oxide.
FD11	6.12	12.9	Outcrop chip of milky quartz vein.
FD16	1.075		Outcrop chip of milky quartz vein.
FD17	0.542		Outcrop chip of milky quartz vein.

Rock sample location maps, sample descriptions and assay certificates are located on the Company's website along with maps showing the claim position, veins, workings, roads and proposed drill holes.

**Plan of Operations:**

Black Mammoth completed a thorough review of the extensive data obtained with the property. Field examination of the mineralized areas was completed concurrently with this review in order to evaluate potential drill targets. Based on these reviews, ten drill pad locations were selected to facilitate drilling multiple holes from each pad location and in early August a Plan of Operations was filed with

the U.S. Forestry Service office in Grangeville, Idaho ("USFS"). The Company's personnel have met with the USFS field specialists on the property and the proposed Plan of Operations is currently under review.

### **Sampling:**

The samples from this program were collected and delivered to ALS Global in Elko, NV by Mark J. Abrams, CPG. The samples were analyzed using Au-ICP21 for gold (30g FA – Gravimetric Finish) and ME-ICP 41 (35 Multi-element Aqua Regia digestion).

Property activities in 2018 included further refining of drill targets and prospecting the vein extensions.

### **Frances Bay Copper Property, British Columbia**

During the year ended December 31, 2015, the Company staked and obtained a 100% ownership in the Frances Bay Copper Property after dropping its previous option agreement. The Frances Bay Copper property is located in southwestern British Columbia, approximately 90 kilometres northwest of Powell River, BC. There is a 1% Net Smelter Royalty outstanding on the property.

The Property lies within the Coast Plutonic Complex and is underlain primarily by granodiorite with local areas of quartz diorite. The age of the plutonic complex ranges from lower to upper cretaceous. The Coast Plutonic Complex hosts copper deposits such as the OK Copper Property located 65km southeast of Frances Bay.

A near vertical cliff on the northern shore of Frances Bay exposes malachite staining over a 10 metre by 20 metre area. Quartz vein stockwork hosted within granodiorite contains trace amounts of chalcopyrite, bornite and pyrite. Prospecting by Mr. Goodall during the 2011 work program identified three additional zones of similar mineralization over an approximate 1km by 2km area on the Property providing strong indications of a large mineralized zone.

The Property is located between Toba and Bute Inlets and is water accessible year round. A barge landing site and a network of logging roads provide ready access to the interior of the Property with moderate to steep topography.

The Company conducted a rock geochemical sampling program at Frances Bay. The purpose of the sampling was to confirm and expand the zones of copper mineralization identified in previous sampling, and to learn more about the host rock and controls on the mineralization.

A total of 20 rock chip samples were collected from various outcrops and submitted for geochemical analyses to ALS Chemex Lab in Vancouver, BC from the sampling program undertaken in June 2016. The program confirmed the copper mineralization previously identified by Geoffrey Goodall's work in 2011 at the original beach showing and at three additional areas of malachite stained outcrop. The mineralization is associated with quartz vein stockworks that locally host chalcopyrite, bornite and pyrite.

## SELECTED ANNUAL INFORMATION

Year Ended December 31,	2018	2017	2016
<b>Financial Results</b>			
Revenue	\$ Nil	\$ Nil	\$ Nil
Loss For the Year	(110,073)	(235,188)	(40,034)
Loss Per Share: Basic & Diluted	(0.01)	(0.02)	(0.00)
Total Assets	524,636	495,167	169,152
Exploration and Evaluation Assets	215,736	139,586	78,526

## RESULTS OF OPERATIONS

*For the year ended December 31, 2018, the Company had a net loss of \$110,073 (2017 - \$235,188).*

Significant changes include:

- i) management fees of \$66,000 (2017 – \$52,500). The increase was due to a portion of fees allocated to exploration and evaluation expenditures during the comparative year.
- ii) share-based compensation of \$Nil (2017 – \$21,151). The decrease was due to options vested during the comparative year.
- iii) shareholder communications of \$4,969 (2017 - \$19,270). The decrease was due to costs incurred for promotional activities during the comparative year.
- iv) Impairment of exploration and evaluation assets \$Nil (2017 - \$52,232). The decrease was due to the Company's decision to release its interest in the Coppertonic property in an effort to focus resources on its other properties during the comparative year.
- v) Travel and entertainment of \$9,371 (2017 - \$11,932). The decrease was due to costs incurred for more travel activities during the comparative year.

## SUMMARY OF QUARTERLY RESULTS

The following tables present the quarterly results of operations for each of the last eight quarters.

### Net Income (Loss) by Quarter

	Q4 Dec. 31, 2018	Q3 Sep. 30, 2018	Q2 Jun. 30, 2018	Q1 Mar. 31, 2018	Q4 Dec. 31, 2017	Q3 Sep. 30, 2017	Q2 Jun. 30, 2017	Q1 Mar. 31, 2017
Net income (loss):								
Total	\$ 9,980	\$ (31,459)	\$ (42,092)	\$ (46,502)	\$ (85,393)	\$ (32,213)	\$ (47,328)	\$ (70,254)
Mineral property costs	\$ 29,098	\$ 45,972	\$ -	\$ 1,080	\$ 1,466	\$ 82,201	\$ 29,625	\$ -
Per share, basic and diluted	\$ 0.00	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)

The Company acknowledges that there can be material fluctuations in quarterly results. Fluctuations are primarily related to write-off of accounts payable.

## **LIQUIDITY AND CAPITAL RESOURCES**

The Company is in the mineral exploration and development business and is exposed to a number of risks and uncertainties inherent in the resource exploration and extraction industry. This activity is capital intensive at all stages and subject to the fluctuations in commodity prices, market sentiment, currencies, inflation and other risks. The Company currently has no sources of revenue, and relies primarily on equity financings to fund its exploration, development and administrative activities.

Because of the current financial turmoil, the Company has reduced all expenditures at head office, and in management and overhead costs.

The Company has a history of operating losses and of negative cash flows from operations. In the year ended December 31, 2018, the Company had net loss of \$110,073 net cash outflows from operating activities of \$157,145, net cash outflows from investing activities of \$21,935, primarily due to expenditures on decommissioning obligations, and net cash inflows from financing activities of \$135,250 primarily due to the exercise of warrants. The Company's deficit at December 31, 2018 was \$13,920,408. The Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

The Company has financed operations and mineral property exploration in part through private placement of shares. The continued volatility in the financial equity markets may make it difficult to raise capital through the private placements of shares. The junior mining industry is considered speculative in nature which could make it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

During the period from January 1, 2018 to April 23, 2019, the Company:

- issued 2,018,583 shares pursuant to the exercise of warrants for the proceeds of \$201,858.

## **OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

## **RELATED PARTY TRANSACTIONS**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of executive and non-executive members of the Company's Board of Directors and corporate officers.

The following transactions are in the normal course of operations and are measured at the exchange amount of consideration established and agreed to by the related parties. All amounts owing are non-interest bearing, with no specific repayment terms and unsecured. The remuneration of directors and other members of key management personnel during the year ended December 31, 2018 and 2017 are as follows:

- a) Included in the due to related parties at December 31, 2018 is \$525,396 (December 31, 2017 - \$494,417) due to directors, an officer of the Company and a company with a common director. The amounts relate to accrued management fees and expense reimbursements. Per the terms of debt settlement and deferral agreements repayment, the amount of \$525,396 is not due until May 31, 2020.
- b) During the period ended December 31, 2018 and 2017 included in the financial statements are the following amounts charged or accrued to officers, directors, a former director, spouse of a director and companies with a common director:

<u>Key management compensation</u>	<u>2018</u>	<u>2017</u>
Management fees – operating	\$ 66,000	\$ 52,500
Management fees – exploration and evaluation	\$ 54,000	\$ 67,500
Share-based compensation	\$ -	\$ 12,022

## **PROPOSED TRANSACTION**

There were no proposed transactions.

## **FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS**

As at December 31, 2018, the Company's financial instruments consist of cash, accounts payable and accrued liabilities and advances payable.

The fair value of these financial instruments approximate carrying value since they are short term in nature and are receivable or payable on demand.

Risk management is carried out by the Company's management team with guidance from the Board of Directors. The Company's risk exposures and their impact on the Company's financial instruments are summarized below:

### a) Credit Risk

The Company's credit risk is primarily attributable to cash and amounts receivable. Cash are held with one reputable Canadian chartered bank which is closely monitored by management. Management believes that the credit risk concentration with respect to financial instruments included in cash and amounts receivable is minimal.

### b) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2018, the Company had current liabilities from continuing operations of \$52,027 (December 31, 2017 - \$91,020). All of the Company's liabilities are subject to normal trade terms.

## c) Market Risk

### i) Interest Rate Risk

The Company had cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its banks.

### ii) Commodity Price Risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. To mitigate price risk, the Company closely monitors commodity prices of precious metals, individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

### iii) Foreign Currency Risk

The Company's functional currency and the reporting currency is the Canadian dollar ("CDN\$"). Periodically the Company incurs charges on its operations for settlement in currencies other than its functional currency and any gain or loss arising on such transactions is recorded in operations for the period.

The Company holds a 100% interest in its subsidiary La Quinta Nevada Inc. ("LQN") in the United States of America which is currently inactive.

The Company holds a 100% interest in Black Mammoth Gold Corporation in the United States of America.

As at December 31, 2018, a 1% strengthening in the USD relative to the CDN\$ does not have a significant impact on the net loss for the period.

Any unrealized translation adjustments arising at period end are included in operating loss for the period.

## **NEWLY ADOPTED ACCOUNTING POLICIES AND FUTURE ACCOUNTING PRONOUNCEMENTS**

Please refer to the December 31, 2018 audited consolidated financial statements on [www.sedar.com](http://www.sedar.com) for newly adopted accounting policies and future accounting pronouncements.

### **SHARE CAPITAL**

<b>SCHEDULE OF SHARE CAPITAL</b>	<b>As of the date of this Management Discussion and Analysis</b>
Common Shares outstanding	11,081,871
Warrants outstanding	2,575,000
Options outstanding	475,000