

HANSA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2017

This discussion and analysis of financial position and results of operation is prepared as at November 22, 2017 and should be read in conjunction with the unaudited condensed consolidated interim financial statements and the accompanying notes for the three months ended September 30, 2017 of Hansa Resources Limited ("Hansa" or "the Company"). The following disclosure and associated condensed consolidated interim financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management's discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward looking statements as a result of various factors.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "HRL". The Company is a junior resource company which was engaged in the acquisition, exploration and development of unproven mineral interests in Kazakhstan. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia.

Since 2012 the Company has been conducting prospect generation activities. The Company had identified the Zhumba gold prospect (the "Zhumba Property"), which consists of two claims located in the Kokepektinsky and Ulansky districts in eastern Kazakhstan, and has been working to obtain tenure to the Zhumba Property. Over the years the Company worked to deal with all government agencies in regards to the Zhumba Property and, after extensive negotiations, in fiscal 2017, the Company was advised by the government of Kazakhstan, through the Ministry of Industry and New Technologies, that the concession to the Zhumba Property had been granted.

On June 23, 2017 the Company completed all conditions precedent and finalized the farm out of its 90% interest in the Zhumba Property to Kazzinc Limited ("Kazzinc"). As consideration the Company has received payment of \$797,436. The Company will also receive a 1.9% net smelter return royalty on the 90% interest from production at the Zhumba Property.

As of the date of this MD&A, the Company has no mineral property interests. The Company is actively reviewing opportunities and continues to conduct reviews and due diligence on prospective acquisitions. As at September 30, 2017 the Company has made a non-refundable deposit of US \$100,000 to secure the rights to participate in an international resource and development project.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed interim consolidated financial statements of the Company.

	Fiscal 2018	Fiscal 2017				Fiscal 2016			
	Sep. 30 2017 \$	Jun. 30 2017 \$	Mar. 31 2017 \$	Dec. 31 2016 \$	Sep. 30 2016 \$	Jun. 30 2016 \$	Mar. 31 2016 \$	Dec. 31 2015 \$	
Operations:									
Revenues	Nil								
Expenses	(68,690)	(298,260)	(72,030)	(72,362)	(67,968)	(163,545)	(105,097)	(91,178)	
Other items	(41,377)	773,506	(6,207)	19,156	7,443	3,698	(59,063)	35,153	
Net (loss) income	(110,067)	475,246	(78,237)	(53,206)	(60,525)	(159,847)	(164,160)	(56,025)	
Basic and diluted income (loss) per share	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)	(0.00)	
Dividends per share	Nil								
Balance Sheet:									
Working capital	949,708	1,059,775	720,599	798,836	852,042	912,567	1,072,414	1,236,574	
Total assets	1,417,392	1,521,554	809,435	935,100	982,771	1,028,430	1,099,020	1,277,337	
Total long-term liabilities	Nil								

Results of Operations

Three Months Ended September 30, 2017 Compared to Three Months Ended June 30, 2017

During the three months ended September 30, 2017 (“Q1/2018”) the Company reported a net loss of \$110,067 compared to net income of \$475,246 during the three months ended June 30, 2017 (“Q4/2017”). The decrease in income is attributed to the \$797,436 proceeds received from the assignment of the Zhumba Property and partially offset by \$242,347 of costs incurred and provisions made, recorded in general exploration in Q4/2017.

Three Months Ended September 30, 2017 Compared to Three Months Ended September 30, 2016

During the three months ended September 30, 2017 (the “2017 period”) the Company reported a net loss of \$110,067, compared to a net loss of \$60,525 for the three months ended September 30, 2016 (the “2016 period”), an increase in loss of \$49,542. The increase in loss during the 2017 period is attributed to the recognition of a foreign exchange loss of \$43,579 in the 2017 period compared to a foreign exchange gain of \$6,218 in the 2016 period.

General and administrative expenses increased only slightly from \$67,968 during the 2016 period to \$68,690 during the 2017 period. Specific general and administrative expenses are noted below.

During the 2017 period the Company incurred:

- (i) \$18,125 (2016 - \$8,094) for ongoing legal services relating to the preparation and review of agreements over the Zhumba property;
- (ii) travel expenses of \$8,278 (2016 - \$nil) were incurred during the 2017 period in which the President of the Company travelled to Kazakhstan and Europe. No travel expenses were incurred during the 2016 period; and
- (iii) audit fees of \$nil (2016 - \$10,000) were incurred. The change between the 2017 period and 2016 period was solely due to the timing of the audit of the Company’s year-end financial statements.

Financial Condition / Capital Resources

As at September 30, 2017 the Company had working capital of \$949,708 and expects that it has sufficient financial resources to fund corporate administration for the next twelve months and to continue its due diligence process to identify and evaluate potential business acquisitions. In the event the Company is successful in negotiating an acquisition or mineral property interest it may be required to raise additional capital. The Company’s operations have been funded from equity financings which are dependent upon many external factors and may be difficult to impossible to secure or raise when required. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

Contractual Commitments

The Company has no contractual commitments.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company has no proposed transactions.

Changes in Accounting Principles

There are no changes in accounting policies. A detailed summary of all the Company's significant accounting policies is included in Note 3 to the June 30, 2017 and 2016 annual financial statements.

Related Party Disclosures

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. Certain of these entities transacted with the Company during the reporting period.

(a) *Transactions with Key Management Personnel*

During the 2017 and 2016 periods the following amounts were incurred with respect to the Chief Executive Officer and President (Mr. John Nugent) and the Chief Financial Officer (Mr. Nick DeMare), of the Company:

	2017 \$	2016 \$
Management fees - Mr. Nugent	15,000	15,000
Professional fees - Mr. DeMare	3,000	3,000
	<u>18,000</u>	<u>18,000</u>

As at September 30, 2017, \$42,005 (June 30, 2017 - \$27,005) remained unpaid.

(b) *Transactions with Other Related Parties*

(i) During the 2017 and 2016 periods the following amounts were paid to its non-executive directors of the Company (Messrs. Robert Atkinson, Paul DiPasquale, and Donald Siemens):

	2017 \$	2016 \$
Professional fees - Mr. Atkinson	3,000	3,000
Professional fees - Mr. DiPasquale	3,000	3,000
Professional fees - Mr. Siemens	3,000	3,000
	<u>9,000</u>	<u>9,000</u>

(ii) During the 2017 period the Company incurred a total of \$2,950 (2016 - \$3,250) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding the services of Mr. DeMare, and \$1,005 (2016 - \$1,005) for rent. As at September 30, 2017, \$2,535 (June 30, 2017 - \$4,085) remained unpaid.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares without par value and unlimited preferred shares without par value. As at November 22, 2017, there were 57,413,317 outstanding common shares and 4,000,000 share options outstanding with an exercise price of \$0.05 per common share.