

HANSA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2018

This discussion and analysis of financial position and results of operation is prepared as at October 29, 2018 and should be read in conjunction with the audited consolidated financial statements and the accompanying notes for the years ended June 30, 2018 and 2017 of Hansa Resources Limited ("Hansa" or "the Company"). The following disclosure and associated consolidated 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 engaged in the acquisition, exploration and development of unproven mineral interests. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia.

Since 2012 the Company had been conducting prospect generation activities. The Company had previously identified the Zhumba gold prospect (the "Zhumba Property"), which consisted of two claims located in the Kokepektinsky and Ulansky districts in eastern Kazakhstan. Over the years the Company worked to deal with all government agencies to obtain tenure 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 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.

On February 1, 2018 the Company entered into a mineral property option agreement (the "Option Agreement") with Poseidon Offshore Minerals Inc. ("Poseidon"). Poseidon had applied for an offshore mineral reconnaissance license (the "License") to explore for gold, diamonds and heavy minerals on the continental shelf of Ghana. Pursuant to the Option Agreement, Poseidon granted to the Company an exclusive option to acquire 60% of Poseidon's direct and indirect interest in and to the License, which would represent a 54% interest in the License taking into account the interests of the Government of Ghana. The Company paid Poseidon \$136,070 (US \$100,000) (the "Option Advance").

During fiscal 2018 the Company made a deposit of \$131,680 (US \$100,000) (the “Licenses Deposit”) to the Government of Ghana, Minerals Commission in respect to the review process for the granting of the License.

In August 2018 the Company was informed of delays in the License process which impacted the Company’s ability to conduct a financing. In October 2018 the Company received a refund of the License Deposit. As there is no time table for the granting of the License the Company has determined to record a write-off of the Option Advance of \$136,070 in fiscal 2018.

Selected Financial Data

The following selected financial information is derived from the audited annual consolidated financial statements of the Company.

	Years Ended June 30,		
	2018 \$	2017 \$	2016 \$
Operations:			
Revenues	Nil	Nil	Nil
Expenses	(387,888)	(510,620)	(479,786)
Other items	(118,094)	793,898	55,678
Comprehensive income (loss)	(505,982)	283,278	(424,108)
Basic and diluted income (loss) per share	(0.01)	0.00	(0.01)
Dividends per share	Nil	Nil	Nil
Balance Sheet:			
Working capital	558,183	1,059,775	912,567
Total assets	988,581	1,521,554	1,028,430
Total long-term liabilities	Nil	Nil	Nil

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

	Fiscal 2018				Fiscal 2017			
	Jun. 30 2018 \$	Mar. 31 2018 \$	Dec. 31 2017 \$	Sep. 30 2017 \$	Jun. 30 2017 \$	Mar. 31 2017 \$	Dec. 31 2016 \$	Sep. 30 2016 \$
Operations:								
Revenues	Nil							
Expenses	(145,511)	(80,837)	(92,850)	(68,690)	(298,260)	(72,030)	(72,362)	(67,968)
Other items	(120,538)	31,646	12,175	(41,377)	773,506	(6,207)	19,156	7,443
Net (loss) income	(266,049)	(49,191)	(80,675)	(110,067)	475,246	(78,237)	(53,206)	(60,525)
Basic and diluted income (loss) per share	(0.01)	(0.00)	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)
Dividends per share	Nil							
Balance Sheet:								
Working capital	558,183	814,760	869,033	949,708	1,059,775	720,599	798,836	852,042
Total assets	988,581	1,247,995	1,303,506	1,417,392	1,521,554	809,435	935,100	982,771
Total long-term liabilities	Nil							

Results of Operations

Three Months Ended June 30, 2018 Compared to Three Months Ended June 30, 2017

During the three months ended June 30, 2018 (“Q4/2018”) the Company reported a net loss of \$266,049 compared to a net income of \$475,246 during the three months ended June 30, 2017 (“Q4/2017”). The fluctuation is mainly attributed to:

- (i) during Q4/2017 the Company recorded \$797,436 proceeds received from the assignment of the Zhumba Property which was partially offset by the \$242,347 of costs recorded in general exploration in Q4/2017; and
- (ii) during Q4/2018 the Company recorded a write-off of the Option Advance of \$136,070 paid to Poseidon.

Year Ended June 30, 2018 (“fiscal 2018”) Compared to Year Ended June 30, 2017 (“fiscal 2017”)

During fiscal 2018 the Company recorded a net loss of \$505,982 compared to net income of \$283,278 for fiscal 2017. The fluctuation is mainly attributed to the \$797,436 proceeds received from the assignment of the Zhumba Property during fiscal 2017.

The Company recorded a \$122,732 decrease in general and administrative expenses, from \$510,620 during fiscal 2017 to \$387,888 during fiscal 2018. During fiscal 2018 the Company incurred:

- (i) \$77,086 (2017 - \$58,175) for legal services rendered with respect to the closing of the disposition of the Zhumba property and other legal costs;
- (ii) corporate development fees of \$55,577 (2017 - \$nil) were incurred. During fiscal 2018 the Company engaged various firms to provide corporate information on the Company through various marketing campaigns;
- (iii) travel expenses of \$18,535 (2017 - \$531). During fiscal 2018 the President of the Company travelled to Kazakhstan and Europe. Travel activities during fiscal 2017 was limited to regional travel by the Company’s lawyer in Kazakhstan;
- (iv) professional fees of \$32,029 (2017 - \$nil) for corporate advisory services;
- (v) website costs of \$18,452 (2017 - \$nil) for development of the Company’s website and ongoing maintenance;
- (vi) office and support fees of \$14,809 (2017 - \$5,794) were incurred. During fiscal 2018 the Company paid certain office and support fees in Kazakhstan after the finalization of the farm-out agreement of the Zhumba property to Kazzinc;
- (vii) no general exploration fees. During fiscal 2017 \$284,310 general exploration fees were incurred relating to the Zhumba property; and
- (viii) the Company recorded a write-off of the Option Advance of \$136,070 paid to Poseidon.

Financial Condition / Capital Resources

As at June 30, 2018 the Company had working capital of \$558,183 and considers that it will have sufficient financial resources to meet anticipated corporate administration costs for the next twelve months. 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, 2018 and 2017 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. The Company has determined that key management personnel consists of members of the Company’s Board of Directors and Executive Officers.

- (a) During fiscal 2018 and 2017 the Company incurred executive management compensation to key management personnel as follows:

	2018	2017
	\$	\$
Mr. Nugent - President, CEO and Director	60,000	60,000
Mr. DeMare - CFO, Corporate Secretary and Director	12,000	12,000
Mr. Atkinson - Director	12,000	12,000
Mr. DiPasquale - Director	12,000	12,000
Mr. Siemens - Director	12,000	12,000
	<u>108,000</u>	<u>108,000</u>

As at June 30, 2018, \$27,005 (2017 - \$27,005) remained unpaid.

- (b) During fiscal 2018 the Company incurred a total of \$17,800 (2017 - \$14,700) with Chase Management Ltd. ("Chase"), a private corporation owned by Mr. DeMare, for accounting and administrative services provided by Chase personnel, excluding Mr. DeMare, and \$4,020 (2017 - \$4,020) for rent. As at June 30, 2018, \$3,335 (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 October 29, 2018, 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.