

HANSA RESOURCES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2019

This discussion and analysis of financial position and results of operation is prepared as at November 8, 2019 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, 2019 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 has 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 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 in fiscal 2017. In fiscal 2019 the Company received a further \$89,621 upon the settlement of accounts payables and release of remaining funds held. The Company will also receive a 1.9% net smelter return royalty on the 90% interest from production at the Zhumba Property.

The Company was obligated to pay US \$100,000 to the former owner of the Zhumba Property of which US \$50,000 was paid in fiscal 2019. As at September 30, 2019 the Company has recorded a remaining obligation of US \$50,000 in accounts payable and accrued liabilities.

Management is continuing with its due diligence on identifying other potential mineral exploration and evaluation licenses.

Selected Financial Data

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

| | Fiscal 2020 | Fiscal 2019 | | | | Fiscal 2018 | | | |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| | Sep. 30 2019 \$ | Jun. 30 2019 \$ | Mar. 31 2019 \$ | Dec. 31 2018 \$ | Sep. 30 2018 \$ | Jun. 30 2018 \$ | Mar. 31 2018 \$ | Dec. 31 2017 \$ | |
| Operations: | | | | | | | | | |
| Revenues | Nil | |
| Expenses | (44,114) | (208,590) | (45,458) | (65,195) | (79,928) | (145,511) | (80,837) | (92,850) | |
| Other items | 10,138 | 80,086 | (10,718) | 41,950 | (10,107) | (120,538) | 31,646 | 12,175 | |
| Net loss | (33,976) | (128,504) | (56,176) | (23,245) | (90,035) | (266,049) | (49,191) | (80,675) | |
| Basic and diluted loss per share | (0.00) | (0.01) | (0.00) | (0.00) | (0.00) | (0.01) | (0.00) | (0.00) | |
| Dividends per share | Nil | |
| Balance Sheet: | | | | | | | | | |
| Working capital | 517,927 | 551,903 | 520,407 | 576,583 | 470,378 | 558,183 | 814,760 | 869,033 | |
| Total assets | 626,338 | 647,492 | 775,095 | 882,596 | 889,336 | 988,581 | 1,247,995 | 1,303,506 | |
| Total long-term liabilities | Nil | |

Results of Operations

Three Months Ended September 30, 2019 Compared to Three Months Ended June 30, 2019

During the three months ended September 30, 2019 (“Q1/2020”) the Company reported a net loss of \$33,976 compared to a net loss of \$128,504 during the three months ended June 30, 2019 (“Q4/2019”). The \$94,528 decrease in loss is attributed to the recognition of share-based compensation of \$160,000 in Q4/2019 on the granting of share options which was partially offset by the receipt of an \$89,621 upon settlement of accounts payable and release of remaining funds held from the sale of the Zhumba Property during Q4/2019.

Three Months Ended September 30, 2019 Compared to Three Months Ended September 30, 2018

During the three months ended September 30, 2019 (the “2019 period”) the Company reported a net loss of \$33,976, compared to a net loss of \$90,035 for the three months ended September 30, 2018 (the “2018 period”), a decrease in loss of \$56,059. The decrease in loss during the 2019 period is mainly attributed to the recognition of a foreign exchange gain \$6,604 during the 2019 period compared to a foreign exchange loss of \$13,579 in the 2018 period and an overall decrease in general and administrative expenses from \$79,928 during the 2018 period to \$44,114 during the 2019 period. Fluctuations in expenses were as follows:

- (i) \$2,635 for legal services were incurred during the 2019 period compared to \$11,280 during the 2018 period. During the 2018 period significant services were incurred to complete the closing of the disposition of the Zhumba Property;
- (ii) during the 2018 period the Company incurred \$22,964 for corporate development. During the 2018 period the Company engaged various firms to provide corporate information on the Company through various marketing campaigns in anticipation of the Company’s focus on exploration in Ghana. No corporate development services were incurred during the 209 period;
- (iii) website costs of \$4,700 were incurred during the 2018 period . During the 2018 period there were additional fees for the development of the Company’s website. No fees were incurred during the 2019 period;
- (iv) during the 2019 period the Company incurred travel costs of \$11,065 compared to \$5,216 during the 2018 period. During the 2019 period the Company paid travel costs to a consultant for review of prospective mineral properties in Africa; and
- (v) executive management compensation decreased from \$27,000 during the 2018 period to \$22,000 during the 2019 period as, effective September 1, 2019, the Company’s CEO voluntarily ceased to receive his monthly compensation.

Financial Condition / Capital Resources

As at September 30, 2019 the Company had working capital of \$517,927 and considers that it has adequate resources to maintain anticipated levels of corporate administration for the next twelve months. However, the Company

anticipates that it will be required to raise additional capital to continue conducting due diligence on identifying and evaluating potential mineral interest acquisitions or other business opportunities. The Company's operations are typically 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.

In order to conserve the Company's working capital, the Company's CEO, John Nugent, voluntarily ceased to receive his compensation of \$5,000 per month effective September 1, 2019 and, effective October 1, 2019, the directors of the Company ceased to receive their \$1,000 monthly compensation. The Company will consider reinstating compensation arrangements upon completion of new business opportunities and sufficient financing.

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

The Company adopted IFRS 16 - *Leases* ("IFRS 16") effective July 1, 2019.

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, IAS 17.

There was no impact on the Company's condensed consolidated interim financial statements upon the adoption of this new standard.

A detailed summary of the Company's other significant accounting policies is included in Note 3 to the June 30, 2019 audited annual consolidated 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 the 2019 and 2018 periods the Company incurred executive management compensation to key management personnel as follows:

| | 2019 | 2018 |
|--|---------------|---------------|
| | \$ | \$ |
| Mr. Nugent - President, CEO and Director | 10,000 | 15,000 |
| Mr. DeMare - CFO, Corporate Secretary and Director | 3,000 | 3,000 |
| Mr. Atkinson - Director | 3,000 | 3,000 |
| Mr. DiPasquale - Director | 3,000 | 3,000 |
| Mr. Siemens - Director | 3,000 | 3,000 |
| | <u>22,000</u> | <u>27,000</u> |

As at September 30, 2019 \$37,005 (June 30, 2019 - \$27,005) remained unpaid.

See also “Financial Condition / Capital Resources”.

- (b) During the 2019 period the Company incurred a total of \$2,500 (2018 - \$1,900) 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 \$1,005 (2018 - \$1,005) for rent. As at September 30, 2019 \$1,500 (June 30, 2019 - \$2,135) 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 8, 2019, 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.