

**Xander Resources Inc.**  
MANAGEMENT'S DISCUSSION & ANALYSIS  
For the year ended March 31, 2019

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July 29, 2019

**OVERVIEW**

The following management discussion and analysis ("MD&A") is a review of the operations, current financial position and outlook for Xander Resources Inc. (the "Company"), and should be read in conjunction with the Company's audited financial statements and the accompanying notes for the year ended March 31, 2019, copies of which are filed on the SEDAR website: [www.sedar.com](http://www.sedar.com).

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS"). All dollar figures included herein and in the following discussion and analysis are quoted in Canadian dollars unless otherwise noted.

The financial information in this MD&A is derived from the Company's financial statements prepared in accordance with IFRS. This MD&A may contain forward looking statements based on assumptions and judgments of management regarding events or results that may prove to be inaccurate as a result of risk factors beyond its control. Actual results may differ materially from the expected results.

**DESCRIPTION OF COMPANY'S BUSINESS**

Xander Resources Inc. is a junior mineral resource exploration company with its head office in Vancouver, British Columbia, Canada. The Company was incorporated pursuant to the Business Corporations Act of British Columbia on December 9, 2010. The Company's principal business is the identification, evaluation and acquisition of mineral properties, as well as exploration of mineral properties once acquired. The company currently has interest in a mineral property in British Columbia. The head office, principal address and records office of the Company are located at Suite 200 – 905 West Pender Street, Vancouver, BC V6C 1L6.

On September 25, 2014, the TSX Venture Exchange also accepted the listing of 9,308,924 common shares in the capital of the Company under the symbol XND.

The Company's continuation as a going concern is dependent upon the successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. These financial statements have been prepared with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The operations of the Company were primarily funded by the issuance of share capital. The issuance of additional equity securities by the Company may result in significant dilution to the equity interests of current shareholders. The Company's future capital requirements will depend on many factors, including operating costs, the current capital market environment and global market conditions.

**OVERALL PERFORMANCE**

**MINERAL INTERESTS**

On February 14, 2011, the Company entered into the Hot Property Agreement to acquire a 100% undivided interest in seven mineral tenures (consisting of 118 cells covering 3,343 hectares of 8,257 acres) situated in the province of British Columbia. The Hot Agreement was amended on June 3, 2011 (the "First Amendment") to add three additional tenures owned by a director.

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In order to keep the right and option granted to the Company respecting the Property in good standing, the Company must do the following,

- a) pay to the Optionors \$15,000 (paid), upon signing the agreement;
- b) issue to the Optionors 150,000 common shares (issued on September 25, 2014 and valued at \$22,500) of the Company;
- c) on the first anniversary date (September 25, 2015) of the Company having been listed and called for trading on the Exchange, issue to the Optionors 150,000 common shares (issued on July 31, 2015 and valued at \$36,000); and
- d) on the second anniversary date (September 25, 2016) of the Company having been listed and called for trading on the Exchange, issue to the Optionors 150,000 common shares (issued on October 12, 2016 and valued at \$73,500).
- e) By issuing the last tranche of shares to the Optionors, the Company has exercised its option to gain 100% ownership of the Hot property. The process of transferring the property to the Company has commenced.

During the year ended March 31, 2015, the Company incurred a total of \$87,811 for survey related expenditures, which consist of geophysical surveying fees of \$63,500, fuel fees of \$2,200, mobilization, set-up calibration and report fees of \$2,500, office expenses of \$111, and other consulting related fees of \$19,500. Based on the survey report, the results were consistent with the previous reported data and interpretation. The Company incurred additional costs totaling \$74,678 for the contemplated work program, consisting of geological mapping, prospecting, and rock and soil sampling, carried by Equity Exploration Consultants Ltd.

As of March 31, 2017, the work program on the Hot Property has been completed, and had the following conclusion by Dave Swanton in 2015 Geological and Geochemical Report (B.C. Min. Energy Mines, Assessment Report 35,669):

In summary, the Hot property hosts porphyry-style copper mineralization along a set of fault and shear zones at the contact between the Mount Thoen Stock quartz diorite and Bowser Lake Group metasedimentary rocks. Quartz-sericite-pyrite alteration is exposed over a large area in the vicinity of those faults and shears, associated with weak copper enrichment. Localized zones within that area are potassically altered with higher copper contents. No "causative" intrusion has yet been found, with the hot porphyry dykes being emplaced late in the hydrothermal progression. It appears likely that the widespread quartz-sericite pyrite alteration and the localized potassic alteration zones are related to a larger intrusion at depth which generated the hydrothermal system. Similarly, if an economically viable resource exists on the property, it will most likely be associated with larger, more cohesive, sulphide-rich potassic alteration zones at depth. Future work on the property should focus on determining if such zones exist beneath the soil anomaly north of the Susquwa showing and below the Copper Basin Shear. A deep-penetrating induced polarization (IP) survey would be useful in targeting the Hot property's porphyry potential at depth, and should be conducted concurrently with a detailed examination of the contact zones at the Southern Break and Copper Basin Shear.

The Company is considering Dave Swanton's recommendations and other options for future exploration on the Hot Property.

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**RESULTS OF OPERATIONS**

The Company had net and comprehensive loss of \$145,456 for the year ended March 31, 2019 (2018 – \$106,732). The Company’s expenses included the following:

- Consulting fees of \$10,000 (2018 - \$Nil) relate to fees paid to consultants of the Company for consultation on the Company’s current and prospective projects and business development. These general consulting expenses cannot be directly attributed to any particular project and have therefore been expensed as general consulting.
- Management fees of \$52,000 (2018 - \$51,500) consist of payments made to the CEO and CFO of as discussed under the heading “Related Party Transactions”.
- Office and miscellaneous of \$840 (2018 - \$345) relate to expenses paid for administration and support.
- Professional fees of \$44,915 (2018 - \$26,181) consist of legal fees in connection with legal advice and guidance for the operations of the Company and its compliance, and accounting fees for the Company’s financial recording and reporting activities. The professional fees increased in the year ended March 31, 2019 primarily due to the increased transactions related to the loan and the private placement incurred in the period.
- Share-based payments of \$6,204 (2018 - \$11,038) related to the options vested for the options granted on September 1, 2017.
- Transfer agent and filing fees of \$17,228 (2018 - \$17,668) relate to expenditures in connection with share capital activities and reporting of the Company.
- Loss on debt settlement of \$13,636 (2018 - \$Nil) relate to settlement of accrued management fees to an officer and a former officer of the Company.
- Interest expense of \$633 (2018 - \$Nil) is the accrued interest expense during the year ended March 31, 2019 for the \$30,000 loan, borrowed on May 31, 2018 and repaid on November 2, 2018.

**SUMMARY OF QUARTERLY RESULTS**

The Company’s operating results from the last eight quarters are summarized as follows:

	<i>Three months ended</i>			
	31-Mar-19	31-Dec-18	30-Sep-18	30-Jun-18
Revenue				\$ -
Net and comprehensive loss	\$ (45,096)	\$ (21,152)	\$ (43,333)	\$ (35,874)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

	<i>Three months ended</i>			
	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17
Revenue				\$ -
Net and comprehensive loss	\$ (31,280)	\$ (24,714)	\$ (34,562)	\$ (16,176)
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

The increased comprehensive loss in the quarter ended September 30, 2017 compared with the quarter ended June 30, 2017 was primarily due to increase in management fees of \$13,500, legal fees of \$3,061, and shared-based payments of \$11,038 incurred in the quarter ended September 30, 2017.

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The decreased comprehensive loss in the quarter ended December 31, 2017 compared with the quarter ended September 30, 2017 was primarily due to shared-based payments of \$11,038 incurred in the quarter ended September 30, 2017. Other expenses were comparable between the two quarters.

The increased comprehensive loss in the quarter ended March 31, 2018 compared with the quarter ended December 31, 2017 was primarily due to increase in accounting and legal fees incurred in the quarter ended March 31, 2018. Other expenses were comparable between the two quarters.

The increased comprehensive loss in the quarter ended June 30, 2018 compared with the quarter ended March 31, 2018 was primarily due to increase in consulting fees of \$10,000 incurred in the quarter ended June 30, 2018 for consultation on the Company's current and prospective projects and business development. Other expenditures were comparable, except the legal and accounting fees that were higher in the quarter ended March 31, 2018 for costs related to the annual report.

The increased comprehensive loss in the quarter ended September 30, 2018 compared with the quarter ended June 30, 2018 was primarily due to the share-based payments of \$6,204 related to options vested in September 2018, the increased in professional fees from \$7,095 to \$14,707, and the increased in transfer agent and filing fees from \$3,528 to \$6,453 related to the issuance of shares and warrants for the private placement. Other expenditures were comparable between the two quarters.

The decreased comprehensive loss in the quarter ended December 31, 2018 compared with the quarter ended September 30, 2018 was due to the decrease in interest expense for \$30,000 loan from \$378 to \$132, the decrease in professional fees from \$14,707 to \$4,587 due to the decreased activities in the three months ended December 31, 2018 and the private placement incurred in the three months ended September 30, 2018, and the decrease in share-based payments from \$6,204 to \$Nil related to the options vested in September 2018.

The increased comprehensive loss in the quarter ended March 31, 2019 compared with the quarter ended December 31, 2018 was primarily due to increase in accounting and legal fees incurred in the quarter ended March 31, 2019 for the costs related to the annual report. Other expenses were comparable between the two quarters.

**SELECTED ANNUAL INFORMATION**

	Year ended 31-Mar-19 -\$-	Year ended 31-Mar-18 -\$-	Year ended 31-Mar-17 -\$-
Revenue	Nil	Nil	Nil
Net Income (loss)	(145,456)	(106,732)	(84,224)
Net Income (loss) per Share	(0.01)	(0.01)	(0.01)
Working capital (deficiency)	(29,901)	(48,426)	38,559
Total Assets	489,644	481,432	549,902
Total Non-Current Liabilities	-	-	-

As an exploration stage company, the Company has not generated revenue from its property interest and does not anticipate it will do so for the foreseeable future. Management anticipates that expenses related to mineral exploration of the Company will materially increase with respect to the Hot Property.

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**FOURTH QUARTER RESULTS**

During the quarter ended March 31, 2019, the Company had a comprehensive loss of \$45,096 compared to a comprehensive loss of \$31,280 of the quarter ended March 31, 2018. The operational expenses consist of management fees of \$10,500 (2018 - \$14,000), accounting fees of \$10,279 (2018 - \$10,422), legal fees of \$8,247 (2018 - \$4,059), transfer agent and filing fees of \$2,374 (2018 - \$2,722), and bank charges of \$60 (2018 - \$77). Other expense consists of loss on debt settlement of \$13,636 (2018 - \$Nil).

**LIQUIDITY AND CAPITAL RESOURCES**

As the Company is a start-up and its mineral exploration activities are at its infancy stage, the Company has to depend on its ability to procure sufficient funding through share offerings and financial support from related parties to support current and future expenditures. As at March 31, 2019, the Company had net working capital deficit of \$29,901 (March 31, 2018 - \$48,426) and a cumulative deficit of \$901,158 (March 31, 2018 - \$755,702). The cash component of working capital as at March 31, 2019 was \$31,448 (March 31, 2018 - \$28,526). As the Company will not generate funds from operations for the foreseeable future, the Company is primarily reliant upon the sale of equity securities in order to fund operations. Since inception, the Company has funded limited operations through the issuance of equity securities on a private placement basis. This has permitted the Company to carry out limited exploration on the Hot Property and address costs associated with the Offering and ongoing compliance expenses. The company anticipates having enough working capital for the ensuing fiscal year to pay for operational and compliance expenses.

**Loan**

On May 31, 2018, the Company borrowed \$30,000 as a loan, bearing an annual interest rate of 5% from May 31, 2018 to the date of payment. The loan was due and payable on September 30, 2018, is unsecured and due on demand. On November 2, 2018, the Company repaid \$30,633, consisting of \$30,000 in principal and \$633 in interest accrued to that date. As of the date of the report, the Company does not have any loans outstanding.

**Share transactions for the year ended March 31, 2019:**

As at March 31, 2019, there were 11,292,541 issued and fully paid common shares (March 31, 2018 - 9,817,996).

On June 26, 2018, the Company issued 454,545 common shares at a fair value of \$63,636 to an officer and a former officer of the Company to settle \$50,000 of accrued management fees. The Company recorded loss of \$13,636 on the settlement of these debts.

On August 30, 2018, the Company closed a private placement previously announced on June 19, 2018 and August 3, 2018. The Company issued 1,020,000 units at a price of \$0.10 per unit for total gross proceeds of \$102,000. Each unit consists of one common share and one-half of one non-transferable common share purchase warrants. Each whole common share purchase warrant entitles the holder to purchase one additional common share at a price of \$0.20 per share for a two-year period, expiring August 30, 2020. In connection with the private placement, the Company paid a cash commission totaling \$7,360 and issued 73,600 share purchase warrants to brokers ("Finder's Warrants"). Each Finder's Warrant entitles the holder to purchase one additional common share at a price of \$0.20 per common share for a period of two years, expiring August 30, 2020. The Finder's Warrants have an estimated fair value of \$1,641, which was

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estimated using the Black-Scholes option pricing model with the following assumptions: expected life 2 years, volatility 83.56%, risk-free rate 2.11%, dividend yield 0%.

Share transactions for the year ended March 31, 2018:

During the year ended March 31, 2018, the Company issued a total of 33,060 common shares for gross proceeds of \$4,959 for agent warrants exercised. Upon exercise, the fair value of \$4,459 was reallocated from warrant reserve to share capital.

On November 20, 2017, 25,000 options granted on September 25, 2014 were exercised by a director of the Company at a price of \$0.15 per unit for the total proceeds of \$3,750. Upon exercise, the fair value of \$3,540 was reallocated from share-based payment reserve to share capital.

**Detailed discussions related to the Company's cash flows**

Years ended March 31, 2019 and 2018

Cash balances increased by \$2,922 during the year ended March 31, 2019 (2018 – decreased by \$63,070).

During the year ended March 31, 2019, cash used in operating activities was \$91,218 compared to cash used by operating activities of \$71,779 during the year ended March 31, 2018. The cash used in operating activities in 2019 increased as the Company's expenses increased in relation to the private placement and consultation on the Company's current and prospective projects and business development. Other cash expenditures were comparable, as management only incurred necessary compliance and operational expenses to conserve cash.

Cash used in investing activities during year ended March 31, 2019 was \$500 (2018 - \$Nil) due to the claim renewal registration fees for the Hot Property in October 2018.

Cash provided in financing activities during the year ended March 31, 2019 was \$94,640 (2018 - \$8,709). The cash provided by financing activities in 2019 was attributed to the net proceeds received from issuance of common shares.

Years ended March 31, 2018 and 2017

Cash balances decreased by \$63,070 during the year ended March 31, 2018 (2017 – \$52,894).

During the year ended March 31, 2018, cash used in operating activities was \$71,779 compared to cash used in operating activities of \$61,663 during the year ended March 31, 2017. The cash used in operating activities in 2018 and 2017 was comparable, and management only incurred necessary compliance and operational expenses to conserve cash.

Cash provided by financing activities during the year ended March 31, 2018 was \$8,709 (2017 - \$8,769). The cash provided by financing activities in 2018 and 2017 was primarily attributed to the proceeds from issuance of common shares of the Company for agent warrants and options exercised.

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**Stock options**

On September 1, 2017, the Company granted its consultants the right to acquire 100,000 shares at a price of \$0.28 per share for a period of five years. The fair value of stock options granted was recorded as stock-based payments at the vesting date using the Black-Scholes option-pricing model. The stock options vest as follows: (i) 20,000 options on September 1, 2017, (ii) 20,000 options on September 1, 2018, (iii) 20,000 options on September 1, 2019, (iv) 20,000 options on September 1, 2020 and (v) 20,000 options on September 1, 2021. The Black-Scholes option-pricing is based on the expected volatility of 131%, risk-free interest rate of 1.59%, expected dividend rate of 0% and expected life of 5 years. With these assumptions, the fair value of options was determined to be \$24,172, and as of March 31, 2018, \$11,038 of the fair value has been expensed. During the year ended March 31, 2019, \$6,204 (December 31, 2018 - \$11,038) of the total fair value of options has been expensed with a corresponding credit a share-based payment reserve. The remaining value of \$6,929 will be expensed at the corresponding vesting date.

On November 20, 2017, 25,000 options granted on September 25, 2014 were exercised by a director of the Company at a price of \$0.15 per unit for the total proceeds of \$3,750.

On November 29, 2017, 100,000 options expired unexercised.

**Warrants**

During the year ended March 31, 2019, the Company granted 510,000 warrants to investors for the private placement closed on August 30, 2018 and 73,600 agent warrants to brokers as finder's fees. Each warrant is exercisable to one common share at a price of \$0.20 per share for a two-year period, expiring August 30, 2020.

During the year ended March 31, 2018, the Company issued a total of 33,060 common shares for gross proceeds of \$4,959 for agent warrants exercised. Upon exercise, the fair value of \$4,459 was reallocated from warrant reserve to share capital.

On September 25, 2017, 928 agent warrants exercisable at \$0.15 expired unexercised.

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**OUTSTANDING SHARES**

As of March 31, 2019, the Company had 11,292,541 issued and fully paid common shares, 583,600 share warrants, and 875,000 share options outstanding.

	Number of shares	Share capital
Balance, March 31, 2017	9,759,936	\$ 918,188
Shares issued for warrants exercised	33,060	4,959
Fair value of agent warrants exercised	-	4,459
Shares issued for options exercised	25,000	3,750
Fair value of options exercised	-	3,540
Balance, March 31, 2018	9,817,996	\$ 934,896
Shares issued for private placement	1,020,000	\$ 102,000
Shares issued for debt settlement	454,545	63,636
Fair value of agent warrants granted	-	(1,641)
Cash issuance cost	-	(7,360)
Balance, March 31, 2019	11,292,541	\$ 1,091,531

As of the date of this report, the Company had the following outstanding shares, options, and agent warrants balances:

- 11,292,541 common shares;
- 583,600 share warrants; and
- 875,000 options.

**OFF-BALANCE SHEET ARRANGEMENTS**

The Company has no off-balance sheet arrangements as at March 31, 2019 or as of the date of this report.

**TRANSACTIONS WITH RELATED PARTIES**

Related party transactions are in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed by the related parties. Amounts due to or from related parties are non-interest bearing and unsecured. Repayment terms, if any, are determined at the time of the advance.

Due to related parties:

	March 31, 2019	March 31, 2018
	- \$ -	- \$ -
Amount due to a company controlled by a director and the former CEO	12,350	38,775
Amount due to a company controlled by the former CFO	12,838	29,500
Amount due to the CEO	17,500	-
	42,688	68,275

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During the year ended March 31, 2015, the Company granted 900,000 share options to the officers and directors of the Company. The options granted to related parties were valued at \$127,455. As at March 31, 2019, the following share options are outstanding and exercisable by the officers and directors of the Company:

	March 31, 2019	
	Number of options	Share-based payment - \$ -
Bryce Clark, Director	400,000	56,647
Zara Kanji, former CFO	200,000	28,323
John Ostler, Director	100,000	14,162
Marsha Panar, Director	75,000	10,621
	775,000	109,753

On November 20, 2017, Marsha Panar, a director of the Company, exercised 25,000 options at a price of \$0.15 per unit for total proceeds of \$3,750.

On November 29, 2017, 100,000 stock options held by Carlo Nigro, a former director of the Company, expired unexercised.

During the year ended March 31, 2019 and 2018, the Company incurred the following amounts through transactions with the current and former officials of the Company:

	March 31, 2019	March 31, 2018
	- \$ -	- \$ -
Management fees	52,000	48,000
Accounting fees	12,804	9,500
	64,804	57,500

As at March 31, 2019, the Company had \$42,688 (March 31, 2018 - \$68,275) due to companies controlled by the former CEO, the former CFO and the current CEO of the Company.

On June 26, 2018, the Company issued 272,727 common shares at a fair value of \$38,182 to the former CEO of the Company to settle \$30,000 of accrued management fees. The Company recorded loss of \$8,182 on the settlement of this debt.

On June 26, 2018, the Company issued 181,818 common shares at a fair value of \$25,454 to the former CFO of the Company to settle \$20,000 of accrued management fees. The Company recorded loss of \$5,454 on the settlement of this debt.

**PROPOSED TRANSACTIONS**

As March 31, 2019, the Company had no proposed transactions.

### **CRITICAL ACCOUNTING ESTIMATES**

For a detailed summary of the Company's significant accounting policies, the readers are directed to Note 3 of the Notes to the audited financial statements for the year ended March 31, 2019 that are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FINANCIAL INSTRUMENTS**

#### **Financial Instrument Risks**

The Company's financial instruments are exposed to certain financial risks, including credit risk, interest rate risk, market risk, liquidity risk and currency risk.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk by holding cash. This risk is minimized by holding cash in large Canadian financial institutions. This risk is assessed as low.

b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to any interest rate risk.

c) Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by management of its working capital to ensure its expenditures will not exceed available resources. This risk is assessed as high.

d) Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company does not have foreign currency denominated financial instruments and is not exposed to foreign exchange risk.

e) Price risk

Price risk is the risk that the risk of a decline in the value of the Company's financial instruments. Although price risk can be mitigated by hedging, the Company currently doesn't apply any hedging techniques as the Company doesn't have securities that are subject to price fluctuation.

### **RISKS AND UNCERTAINTIES**

The Company believes that the following risks and uncertainties may materially affect its success.

#### **Limited Operating History**

The Company has no history of business or mining operations, revenue generation or production history. The Company is subject to all of the business risks and uncertainties associated with any new business

enterprise, including the risk that it will not achieve its growth objective. The Company anticipates that it may take several years to achieve positive cash flow from operations.

### **Exploration, Development and Operating Risks**

The exploration for and development of minerals involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. With all mining operations there is uncertainty and, therefore, risk associated with operating parameters and costs resulting from the scaling up of extraction methods tested in pilot conditions. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered would result in an increase in the Company's resource base.

The Company's operations are subject to all of the hazards and risks normally encountered in the exploration, development and production of minerals. These include unusual and unexpected geological formations, rock falls, seismic activity; flooding and other conditions involved in the extraction of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although precautions to minimize risk will be taken, operations are subject to hazards that may result in environmental pollution and consequent liability that could have a material adverse impact on the business, operations and financial performance of the Company.

### **Fluctuating Mineral Prices**

The economics of mineral exploration is affected by many factors beyond the Company's control, including commodity prices, the cost of operations, variations in the grade of minerals explored and fluctuations in the market price of minerals. Depending on the price of minerals, it may be determined that it is impractical to continue the mineral exploration operation.

Mineral prices are prone to fluctuations and the marketability of minerals is affected by government regulation relating to price, royalties, allowable production and the importing and exporting of minerals, the effect of which cannot be accurately predicted. There is no assurance that a profitable market will exist for the sale of any minerals found on the Property.

### **Substantial Capital Requirements and Liquidity**

Substantial additional funds for the establishment of the Company's current and planned mining operations will be required. No assurances can be given that the Company will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. Mineral prices, environmental rehabilitation or restitution, revenues, taxes, transportation costs, capital expenditures, operating expenses and geological results are all factors which will have an impact on the amount of additional capital that may be required. To meet such funding requirements, the Company may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may also involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company or at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion, and pursue only those development plans that can be funded through cash flows generated from its existing operations.

### **Financing Risks and Dilution to Shareholders**

The Company will have limited financial resources, no operations and no revenues. If the Company's exploration program on its properties is successful, additional funds will be required for the purposes of further exploration and development. There can be no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be available on favourable terms or at all. It is

likely such additional capital will be raised through the issuance of additional equity, which will result in dilution to the Company's shareholders.

### **Title to Properties**

Acquisition of title to mineral properties is a very detailed and time-consuming process. Title to, and the area of, mineral properties may be disputed. The Company cannot give an assurance that title to the Property will not be challenged or impugned. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify. A successful claim that the Company, as the case may be, does not have title to the properties could cause the Company to lose any rights to explore, develop and mine any minerals on that property, without compensation for its prior expenditures relating to such property.

### **No Mineral Reserves or Mineral Resources**

The properties in which the Company holds an interest are considered to be an early exploration stage property, however no mineral reserve or mineral resource estimates have been prepared in respect of the properties. Mineral reserves are, in the large part, estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized. Reserve estimates for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of metals, as well as increased production costs or reduced recovery rates, may render mineral reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for orderly development of the ore bodies and the processing of new or different mineral grades may cause a mining operation to be unprofitable in any particular accounting period.

### **Environmental Risks**

The Company's exploration and appraisal programs will, in general, be subject to approval by regulatory bodies. Additionally, all phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and federal, provincial and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs.

### **FORWARD-LOOKING STATEMENTS**

This MD&A may include certain "forward-looking statements" within the meaning of applicable securities legislation. All statements, other than statements of historical facts, included in this MD&A that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's businesses, operations, plans and other such matters are forward-looking statements. When used in this MD&A, the words "estimate", "plan", "anticipate", "expect", "intend", "believe" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, risks that actual results of current exploration activities will differ, changes in project parameters as

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For the year ended March 31, 2019

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plans continue to be refined, unavailability of financing, fluctuations in precious and/or base metals prices and other factors, as outlined in the Company's preliminary long form prospectus filed on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

**DIRECTORS**

Certain directors of the Company are also directors, officers and/or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploring natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors of the Company are required to act in good faith with a view to the best interests of the Company and to disclose any interest they may have in any project opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his/her interest and abstain from voting in the matter(s). In determining whether or not the Company will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at the time.

On October 25, 2017, the Company appointed Dwayne Yaretz as a director of the Company.

On October 17, 2018, Bryce Clark resigned as Chief Executive Officer of the Company and remained as a director of the Company. The Company appointed Dwayne Yaretz as Chief Executive Officer of the Company.

On January 1, 2019, Zara Kanji resigned as Chief Financial Officer of the Company. On February 15, 2019, the Company appointed Bryce Clark as interim Chief Financial Officer.

**OUTLOOK**

The Company's primary focus for the foreseeable future will be on reviewing its financial position, continuing exploration and development activities on its mineral properties, and the Company's ongoing evaluation of possible projects.