

NAVY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended September 30, 2019

November 28, 2019

This Management Discussion and Analysis (“MD&A”) of Navy Resources Corp. (“Navy” or the “Company”) has been prepared by management as of November 28, 2019.

This MD&A may contain “forward-looking statements” which reflect the Company’s current expectations regarding the future results of operations, performance and achievements of the Issuer. The Issuer has tried, wherever possible, to identify these forward-looking statements by, among other things, using words such as “anticipate,” “believe,” “estimate,” “expect” and similar expressions. The statements reflect the current beliefs of the management of the Company, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors, which could cause the actual results, performance, or achievements of the Issuer to differ materially from those expressed in, or implied by, these statements.

The Company undertakes no obligation to publicly update or review the forward-looking statements whether as a result of new information, future events or otherwise. Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

Over-all Performance

The Company was incorporated in the Province of British Columbia on May 5, 2011.

The Company is domiciled in Canada and its office is at Suite 1740 – 1177 West Hastings Street, Vancouver, BC. The Company is an exploration stage company.

On February 29, 2016, the Company issued 100,000 common shares with a fair value of \$20,000 as consideration for the Fae Property.

On September 18, 2019, the Company issued 7,350,000 common shares for proceeds of \$735,000 and issued 2,480,080 common shares to settle promissory notes payable and interest in the amount of \$248,080.

Fae Property

On February 29, 2016, the Company acquired a 100% interest in the Fae Property which is composed of two contiguous mineral claims totalling 374.25 hectares and located in the Altin Mining Division of northwestern British Columbia. In consideration for the purchase, the Company paid \$15,000 and issued 100,000 shares, with a fair market value of \$20,000.

During the year-ended December 31, 2018, the Company abandoned the property and, as such, recorded an impairment allowance on the property in the amount of \$45,000 (represented by \$35,000 acquisition costs and \$10,000 in capitalized exploration costs incurred in 2015) resulting in a carrying value of \$Nil.

NAVY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended September 30, 2019

Selected Annual Information

	Year Ended December 31, 2018	Year Ended December 31, 2017	Year Ended December 31, 2016
<i>Selected operations data</i>			
Loss for the year	\$ 113,589	\$ 100,576	\$ 146,623
Weighted number of shares outstanding	15,200,000	15,200,000	15,183,836
Loss per share	0.01	0.01	0.01
<i>Selected balance sheet data</i>			
Net working capital (deficiency)	\$ (218,155)	\$ (149,566)	\$ (48,990)
Total assets	\$ 1,921	\$ 85,270	\$ 78,935
Total long-term liabilities	\$ -	\$ -	\$ -
Net shareholders' equity (deficiency)	\$ (218,155)	\$ (104,566)	\$ (3,990)

Results of Operations

For the three months ended September 30, 2019 and 2018, the Company reported net losses of \$19,033 and \$15,052, respectively.

The net loss before income taxes during the three months ended September 30, 2019 and 2018 are summarized below.

	2019	2018
General and administrative	\$ 4,654	\$ 9,132
Interest expense	1,243	1,300
Professional fees	3,953	1,147
Consulting fees	1,500	1,500
Transfer agent and filing fees	7,683	1,973
Net loss before income taxes	\$ 19,033	\$ 15,052

General and administrative costs decreased as the Company's rent payment decreased when compared to the comparative period. Professional fees increased as a result of fees related to the preparation of material in association with the Company's annual general meeting. Consulting fees remained consistent. Transfer agent and filing fees have increased as a result of the annual general meeting costs occurring in the third quarter of 2019. Interest expense will fluctuate with the amount owing on promissory notes payable.

For the nine months ended September 30, 2019 and 2018, the Company reported net losses of \$56,179 and \$46,564, respectively.

The net loss before income taxes during the nine months ended September 30, 2019 and 2018 are summarized below.

	2019	2018
General and administrative	\$ 21,664	\$ 23,151
Interest expense	6,260	3,800
Professional fees	6,851	5,824
Consulting fees	4,500	5,500
Transfer agent and filing fees	16,904	8,289
Net loss before income taxes	\$ 56,179	\$ 46,564

NAVY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended September 30, 2019

General and administrative costs decreased as the Company's rent payment decreased when compared to the comparative period. Professional fees and consulting fees remained consistent. Transfer agent and filing fees have increased as a result of the fees on relation to the Company's private placement. Interest expense will fluctuate with the amount owing on promissory notes payable.

Summary of Quarterly Results

	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Net Income (Loss) for the period	\$(19,033)	\$(20,397)	\$(16,749)	\$(67,025)	\$(15,052)	\$(19,035)	\$(12,477)	\$ (5,912)
Income (Loss) per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

Liquidity and Capital Resources

The Company reported a working capital of \$708,746 at September 30, 2019 compared to working capital deficiency of \$218,155 as at December 31, 2018. As at September 30, 2019, the Company had net cash on hand of \$741,080 (2018 - \$1,163).

Current assets excluding cash at September 30, 2019 consisted of receivables of \$2,850 which consists of GST receivable (2018 - \$758).

Current liabilities as at September 30, 2019 consist of accounts payable and accrued liabilities of \$35,184 (2018 - \$105,076) and promissory notes payable of \$Nil (2018 - \$115,000).

There can be no assurance that the Company will have sufficient financing to meet its future capital requirements or that additional financing will be available on terms acceptable to the Company in the future.

On November 22, 2016, the Company entered into an agreement for a promissory note in the amount of \$50,000 which was received on November 23, 2016. The promissory note is unsecured and accrues interest at 5% per annum on the unpaid principal balance. The note is payable on or before November 22, 2017. On November 22, 2017, the loan was extended to November 22, 2018. On November 22, 2018, the loan was extended to November 22, 2019. On September 18, 2019, this promissory note and accrued interest related to it was settled for common shares.

On September 5, 2017, the Company entered into an agreement for a promissory note in the amount of \$50,000 which was received on September 5, 2017. The promissory note is unsecured and accrues interest at 5% per annum on the unpaid principal balance. On September 5, 2018, the loan was extended to September 5, 2019. On September 18, 2019, this promissory note and accrued interest related to it was settled for common shares.

On August 27, 2018, the Company entered into an agreement for a promissory note in the amount of \$15,000 which was received on August 27, 2018. The promissory note is unsecured and accrues interest at 5% per annum on the unpaid principal balance. On September 18, 2019, this promissory note and accrued interest related to it was settled for common shares.

On January 8, 2019, the Company entered into an agreement for a promissory note in the amount of \$93,000 which was received on January 8, 2019. The promissory note is unsecured and accrues interest at 5% per annum on the unpaid principal balance. On September 18, 2019, this promissory note and accrued interest related to it was settled for common shares.

On May 5, 2019, the Company entered into an agreement for a promissory note in the amount of \$25,000 which was received on May 5, 2019. The promissory note is unsecured and accrues interest at 10% per annum on the unpaid principal balance. On September 18, 2019, this promissory note and accrued interest related to it was settled for common shares.

NAVY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended September 30, 2019

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet arrangements.

Transactions with Related Parties

During the three and nine months ended September 30, 2019 the Company paid an officer and director \$1,500 and \$4,500 (2018 - \$1,500 and \$5,500) for consulting services and \$4,500 and \$19,500 (2018 - \$9,000 and \$22,500) for rent.

Included in accounts payable is \$14,825 owing to Companies owned by an officer and director (December 31, 2018 - \$14,825).

Proposed Transactions

At the time of this report, the Company is not contemplating any proposed transactions.

Critical Accounting Estimates

Not applicable to Venture Issuers.

Changes in Accounting Policies including Initial Adoption

The Company has adopted the following new accounting standard and interpretation:

IFRS 16, Leases (effective January 1, 2019) introduced new requirements for the classification and measurement of leases. Under IFRS 16, a lessee no longer classifies leases as operating or financing and records all leases on the condensed consolidated statement of financial position, unless the lease term is 12 months or less or the underlying asset has a low value. The Company has applied a modified retrospective transition approach. The Company does not have any leases, and as a result, this standard had no impact on the Company's financial statements on adoption.

IFRIC 23, Uncertainty over Income Tax Treatments (effective January 1, 2019) provides guidance when there is uncertainty over income tax treatments including, but not limited to, whether uncertain tax treatments should be considered separately; assumptions made about the examination of tax treatments by tax authorities; the determination of taxable profit, tax bases, unused tax losses, unused tax credits, and tax rates; and, the impact of changes in facts and circumstances. This interpretation did not have an impact on the Company's financial statements.

Risk Factors

Exploration-stage mineral exploration companies face a variety of risks and, while unable to eliminate all of them, Navy aims at managing and reducing such risks as much as possible. Few exploration projects successfully achieve development stage, due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability of a project being detrimentally impacted such that it is neither feasible nor practical to proceed. Navy closely monitors its activities and those factors that could impact them, and employs experienced consultants to assist in its risk management and to make timely adequate decisions. Environmental laws and regulations could also impact the viability of a project. Navy has ensured that it has complied with these regulations, but there can be changes in legislation outside Navy's control that could also add a risk factor to a project.

Financial Instruments and Other Instruments

The carrying amounts of cash, receivables, and accounts payable approximate fair value because of the short-term maturity of these items.

NAVY RESOURCES CORP.
MANAGEMENT DISCUSSION & ANALYSIS
For the nine months ended September 30, 2019

Other Requirements

Summary of Outstanding Share Data as at November 28, 2019:

Authorized: Unlimited number of common shares without par value.

Issued and outstanding: 25,030,800 common shares.

Options and Warrants

The Company has no options or warrants outstanding.

Additional disclosures pertaining to the Company's technical report, management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com.