

DECADE RESOURCES LTD.
MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
For the year ended April 30, 2020

INTRODUCTION

Decade Resources Ltd. (“Decade” or “the Company”) is an exploration stage company engaged in the exploration and evaluation of a portfolio of mineral properties located in the Province of British Columbia, Canada. The Company’s common shares are listed for trading on the TSX Venture Exchange (“TSX-V”) under the symbol “DEC”.

This discussion and analysis of financial position, results of operations and cash flows of Decade Resources Ltd. for the year ended April 30, 2020 includes information up to and including August 27, 2020 and should be read in conjunction with the Company’s audited annual financial statements for the years ended April 30, 2020 and 2019. All the financial statements were prepared using International Financial Reporting Standards (“IFRS”).

The reader is encouraged to review the Company’s statutory filings at www.sedar.com and to review other information about the Company on its website at www.decaderesources.ca.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company’s mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company’s mineral discoveries, plans, out-look and business strategy. The words “may”, “would”, “could”, “should”, “will”, “likely”, “expect”, “anticipate”, “intend”, “estimate”, “plan”, “forecast”, “project” and “believe” or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

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Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labour disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A.

OVERALL PERFORMANCE

Red Cliff

The Red Cliff property is a former producing copper and gold property located 25 miles north of Stewart, B.C. in the Skeena Mining Division of British Columbia. It consists of 8 mineral claims.

On October 28, 2008, the Company entered into an option agreement with Mountain Boy Minerals Ltd. ("Mountain Boy"), a company with directors in common with the Company to acquire up to a 60% interest in the Red Cliff property. In order to earn the 60% interest Decade was required to incur exploration expenditures of \$1,250,000 over three years.

The Company incurred all the required exploration expenditures to earn its 60% interest in the Red Cliff property and pursuant to a joint venture agreement the Red Cliff property was operated on a joint venture basis with Mountain Boy.

On October 31, 2011, the Company was informed by Mountain Boy that it could not fund its share of the Red Cliff exploration expenditures and thereby would have its interest diluted under the formula set out in the joint venture agreement. At October 31, 2011, the Company was owed \$548,285 in exploration expenditures by Mountain Boy. Effective November 1, 2011, Mountain Boy agreed to dilute its interest in the Red Cliff property by 5% in lieu of paying \$435,785. Decade's interest was increased to 65% and Decade was paid \$112,500 by Mountain Boy.

On October 16, 2017, the Company entered into a Royalty Purchase Agreement to acquire 65% of the 1% net smelter return ("NSR") royalty on certain mineral claims on the Red Cliff property. In consideration, the Company paid \$6,500 and committed to issue 280,000 common shares to the vendor. On November 13, 2017, the Company issued the 280,000 common shares fair valued at \$0.085 per common share totalling \$23,800 and the NSR was cancelled.

On March 28, 2019, the Company and Mountain Boy entered into an amending agreement which revised the amount recoverable from Mountain Boy as of the date of the agreement to \$925,000. As a result, the Company recorded a decrease of \$210,255 in the recoverable amount from Mountain Boy which is reflected in the net cost recovery in exploration expenditures.

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During the year ended April 30, 2020, the Company charged \$15,008 (April 30, 2019: \$517,852) in exploration expenditures to Mountain Boy.

At April 30, 2020, Mountain Boy owed the Company \$15,008 (April 30, 2019: \$925,000) in exploration expenditures which is included in accounts receivable.

On March 5, 2019, the Company released the final assay results from the 2018 drilling on the Red Cliff property.

Highlights of drilling include:

- 16.56 grams per tonne gold over 5.12 metres in DDH-MON-18-50;
- 13.90 g/t gold over 2.99 m in DDH-MON-18-48;
- 21.90 g/t gold over 1.83 m in DDH-MON-18-58;
- 8.93 g/t gold over 6.1 m in DDH-MON-18-67;
- 13.58 g/t gold over 3.2 m in DDH-MON-18-46.

Observations from this 2018 drilling:

- The Waterpump zone extends to depth and up to 150 m south of its exposure in Lydden Creek.
- An east-west dike swarm up to 150 m wide disrupts the north-striking Waterpump zone approximately 150 m south of the Lydden Creek canyon. The zone continues south of the dike swarm toward the Red Cliff zone.
- Gold occurs in an indicated mesothermal system implying depth extent. Deepest gold-bearing intersection to date is 600 m below the highest area containing the Montrose zone.
- Parallel gold-bearing zones are present within the 50 m wide deformation zone.
- Gold mineralization is associated with quartz breccias containing semi-massive pyrite, quartz-pyrite-chalcopyrite stockworks, and galena-sphalerite veins and stringers.
- The Waterpump and Montrose zones are located along 400 m of length in a gold-bearing structure that has been identified over at least a 2.3-kilometre length.
- Gold mineralization has been intersected in a number of different zones over the 2.3 km length.
- Past metallurgical studies indicate gold recoveries of 94.8 per cent and 97.6 per cent, respectively, for two separate composites of core samples within drill hole Red Cliff DDH-12-MON-61.
- Mineralization is open to depth and along strike. Visual expressions of the drill assay results on drilling to date can be viewed on the National Instrument 43-101 report and video shown under the Red Cliff project on the Company's website. A plan map of drilling will be posted on the website. There also appears to be a plunge to the high-grade zone toward the southwest, which drilling will define.

MONTROSE ZONE

| DDH No. | From (m) | To (m) | Core length (m)** | Gold (g/t) |
|-------------|----------|--------|-------------------|------------|
| MON-2018-45 | 208.90 | 210.06 | 1.16 | 1.78 |
| and | 211.89 | 215.24 | 3.66 | 8.94 |
| and | 224.54 | 225.64 | 1.10 | 6.33 |
| and | 227.44 | 228.05 | 0.61 | 9.06 |
| MON-2018-46 | 202.41 | 203.05 | 0.64 | 2.06 |
| | 206.10 | 207.77 | 1.68 | 4.59 |
| | 210.82 | 214.02 | 3.20 | 13.58 |
| MON-2018-48 | 225.64 | 226.25 | 0.61 | 3.97 |
| | 233.84 | 236.13 | 2.29 | 13.90 |

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|-------------|--------|--------|------|-------|
| | 245.30 | 246.34 | 1.04 | 1.46 |
| | 251.89 | 257.32 | 5.43 | 3.90 |
| MON-2018-49 | 233.84 | 236.89 | 3.05 | 1.37 |
| | 238.45 | 239.05 | 0.61 | 25.10 |
| | 239.94 | 245.12 | 5.18 | 7.16 |
| | 257.01 | 259.91 | 2.90 | 9.29 |
| MON-2018-50 | 236.89 | 239.94 | 3.05 | 1.41 |
| | 243.96 | 249.09 | 5.12 | 16.56 |
| | 252.01 | 253.66 | 1.65 | 2.83 |
| | 268.35 | 269.27 | 0.91 | 13.70 |
| MON-2018-51 | 274.39 | 276.86 | 2.47 | 3.74 |
| | 278.08 | 278.54 | 0.46 | 2.26 |
| | 281.25 | 281.71 | 0.46 | 4.33 |
| | 294.82 | 296.74 | 1.92 | 17.93 |
| MON-18-52 | 370.24 | 371.62 | 1.37 | 1.29 |
| | 380.12 | 381.62 | 1.49 | 4.86 |
| | 382.84 | 383.66 | 0.82 | 3.26 |
| | 384.60 | 385.43 | 0.82 | 3.76 |
| | 390.09 | 392.38 | 2.29 | 1.74 |
| | 395.43 | 398.48 | 3.05 | 2.88 |
| MON-18-55 | 215.24 | 218.29 | 3.05 | 2.25 |
| MON-18-56 | 236.13 | 240.24 | 4.12 | 8.59 |
| Incl. | 236.13 | 237.04 | 0.91 | 12.60 |
| Incl. | 239.73 | 240.24 | 0.52 | 45.50 |
| | 242.96 | 243.29 | 0.34 | 4.49 |
| | 246.04 | 247.10 | 1.07 | 1.36 |
| MON-18-57 | 242.53 | 244.51 | 1.98 | 1.85 |
| | 252.74 | 253.35 | 0.61 | 2.08 |
| MON-18-58 | 307.01 | 308.84 | 1.83 | 21.90 |
| | 316.46 | 317.13 | 0.67 | 1.36 |
| MON-18-59 | 235.12 | 236.89 | 1.77 | 2.99 |
| | 239.09 | 240.30 | 1.22 | 4.36 |
| | 252.87 | 253.87 | 1.01 | 3.95 |
| | 258.23 | 261.28 | 3.05 | 7.61 |
| MON-18-60 | 91.01 | 92.59 | 1.59 | 3.88 |
| | 114.63 | 117.68 | 3.05 | 1.06 |
| MON-18-61 | 108.54 | 111.59 | 3.05 | 6.57 |
| | 114.63 | 116.62 | 1.98 | 1.25 |
| | 121.65 | 123.78 | 2.13 | 1.05 |
| MON-18-62 | 148.48 | 151.07 | 2.59 | 2.01 |
| | 155.43 | 156.49 | 1.07 | 11.28 |

MONTROSE ZONE

| DDH No. | From (m) | To (m) | Core length (m)** | Gold (g/t) |
|-----------|----------|--------|-------------------|------------|
| MON-18-63 | 95.73 | 96.65 | 0.91 | 8.23 |
| | 157.62 | 158.90 | 1.28 | 3.27 |
| | 169.42 | 172.26 | 2.84 | 1.44 |
| | 193.75 | 197.26 | 3.51 | 5.05 |
| MON-18-64 | 214.12 | 214.88 | 0.76 | 5.85 |
| | 220.27 | 222.56 | 2.29 | 1.15 |
| | 227.74 | 230.79 | 3.05 | 1.87 |
| | 250.76 | 255.79 | 5.03 | 6.88 |
| Incl. | 251.83 | 254.27 | 2.44 | 12.56 |

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|-----------|--------|--------|------|-------|
| MON-18-65 | 105.49 | 108.54 | 3.05 | 3.37 |
| | 109.76 | 114.63 | 4.87 | 2.50 |
| | 117.68 | 120.67 | 2.99 | 3.55 |
| | 123.17 | 123.78 | 0.61 | 13.01 |
| | 126.83 | 129.88 | 3.05 | 1.35 |
| MON-18-67 | 93.60 | 99.70 | 6.10 | 8.93 |
| | 110.52 | 112.50 | 1.98 | 3.31 |
| | 117.99 | 122.10 | 4.11 | 2.88 |
| Incl. | 117.99 | 118.90 | 0.61 | 6.94 |

* Holes in this table have previously been reported.

** True width is believed to be 70 per cent of intersection length.

Geological modelling has been completed and the Company is examining options to have a resource completed.

Red Cliff Extension

On September 7, 2017, the Company was granted the option to acquire an 80% interest in the Red Cliff Extension Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 80% interest is as follows:

Cash payments:

- i) \$5,000 and \$300,000 portable assessment credits on signing;
- ii) a further \$10,000 on or before September 7, 2019;
- iii) a further \$20,000 on or before September 7, 2020.

Exploration expenditures:

- i) \$30,000 on or before September 7, 2019;
- ii) a further \$50,000 on or before September 7, 2020.

On October 19, 2017, the Company paid \$1,263 to the Minister of Finance in lieu of exploration work.

During the year ended April 30, 2020, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$6,264 to write-off the carrying value of the property.

Silver Crown

On December 1, 2006, the Company entered into an option agreement to earn a 100% interest in the Silver Crown claim which adjoins the Red Cliff property to the north. The Company could earn a 100% interest in the Silver Crown claim by making an aggregate of \$1,500,000 in exploration expenditures on the property, by making cash payments totalling \$100,000 and by issuing 60,000 common shares. The Silver Crown property is subject to a 2% net smelter return royalty in favour of the optioners.

The Company has completed 9 drill holes totalling over 4,500 ft. on the Silver Crown property. Total exploration and development costs incurred on the Silver Crown property to October 31, 2017 are \$569,047. The Company received B.C. Mining Tax credits for 2007 and 2008 totalling \$70,251 for exploration and development work done on the Silver Crown property in those years.

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The Company has made all the cash and common share option payments required under the option agreement. In 2012, the Company paid an extension fee of \$10,000 to extend the term of the exploration expenditures required to November 30, 2012. The Company and the optionors have agreed to further extend the exploration expenditures date to December 31, 2017. The Company is currently negotiating a further extension of the exploration expenditures due date.

The Company carried out a program of geochemical sampling on the Silver Crown claim adjacent to and north of the Montrose zone at Red Cliff. This soil and silt sampling program was completed in an area of extensive talus and soil cover to further define possible extensions to the Montrose zone at Red Cliff.

On December 3, 2018 the Company announced it will carry out work on the Silver Crown 6 claim on the east side of the claim. Exploration work will test for extensions of mineralization consisting of northwest-trending vuggy quartz-calcite veins and stockworks. The zones contain galena, sphalerite, chalcopyrite and pyrite, which form massive to semi-massive lenses, pods and stringers. Veins and stockwork constitute 10 to 40 per cent of the mineralized zone and the sulphide content varies from 10 to 100 per cent of the individual veins. Sampling will test for high-grade silver-, lead- and zinc-bearing zones.

On January 29, 2019, the Company announced that it had completed geochemical sampling at the Silver Crown 6 claim, part of the Red Cliff property (100 per cent Decade), that was carried out on the east side of the claim.

On February 29, 2019, the Company entered into an amended agreement with the optionor to extend the exploration expenditures from December 31, 2017 to December 31, 2019 in consideration of a cash payment of \$10,000 (paid) due prior to August 31, 2019 and the Company agreeing to forego the buyback of 50% of the net smelter royalty as outlined in the original agreement.

During the year ended April 30, 2020, the Company decided not to proceed with Silver Crown and have recorded an impairment of \$722,232 to write-off the \$188,000 in acquisition cost and \$534,232 in exploration expenditures.

Goat/Surprise Creek

On January 28, 2010, the Company purchased a 100% interest in three mineral claims known as the Goat claims located north of Stewart, British Columbia for \$55,000 and 50,000 common shares.

On September 7, 2017, the Company was granted the option to acquire a 60% interest in the Surprise Creek Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 60% interest is as follows:

Cash payments:

- i) \$5,000 and \$300,000 portable assessment credits on signing;
- ii) a further \$15,000 on or before September 7, 2019;
- iii) a further \$20,000 on or before September 7, 2020.

Exploration expenditures:

- i) \$50,000 on or before September 7, 2019;
- ii) a further \$70,000 on or before September 7, 2020.

During the year ended April 30, 2020, the Company decided not to proceed with the Surprise Creek Option agreement and have recorded an impairment of \$12,265 to write-off the \$5,000 in acquisition cost and \$7,265 in exploration expenditures. The Surprise Creek property was contiguous to the Goat project.

On August 27, 2019 the Company announced it has acquired a 100-per-cent interest in claim 565638, containing 146.88 hectares along the east side of the property. Previously, this claim was optioned from

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another company and, through a claim exchange, the Company now owns 100 per cent. The Goat property lies along the contact of volcanic rocks with sediments to the east. The claims cover the Goat deposit, which comprises a parallel series of polymetallic silver-gold-zinc-lead veins that are crudely laminated sulphide-quartz-siderite veins with massive sphalerite and disseminated to massive arsenopyrite, pyrite, tetrahedrite, freibergite and minor galena. The Goat deposit was a historic producer during the late 1970s, with reported production of about 4,159 tonnes of ore with an average grade of 563 grams per tonne (g/t) silver, 1.72 g/t gold and 1.65 per cent zinc with minor lead and copper from 3,186 tonnes of milled ore. A historic resource of 8,800 tonnes grading 4,782.9 g/t silver and 10.6 g/t gold was reported in 1979; however, the resource is not compliant with National Instrument 43-101 guidelines. This estimate is historical and is used for reference purposes only.

On February 25, 2020, the Company announced that it had received a report for the 2019 exploration on the Goat property. The property consists of 8 claims totaling 1210.40 hectares in the Golden Triangle district of British Columbia located 34 km northeast of Stewart. The claims cover the Goat Deposit, which consists of a parallel series of polymetallic silver-gold-zinc-lead veins that are crudely laminated sulphide-quartz-siderite veins with massive sphalerite and disseminated to massive arsenopyrite, pyrite, tetrahedrite, freibergite and minor galena. The Goat Deposit was a historic producer during the late 1970's with reported production of about 4,159 tonnes of ore with an average grade of 563 grams per tonne (g/t) silver, 1.72 g/t gold and 1.65 per cent (%) zinc with minor lead and copper from 3,186 tonnes of milled ore. A historic resource of 8,800 tonnes grading 4,782.9 g/t silver and 10.6 g/t gold was reported in 1979. The resource is not compliant with National Instrument 43-101 guidelines and is used for reference only.

A sample from the molybdenum bearing outcrop consisted of a strongly epidote quartz-carbonate-garnet altered/replaced, dark-green to almost black meta-volcanic rock; locally skarn. Sulphide mineralization includes coarse crystalline pyrite, minor chalcopyrite and common molybdenite. The outcrop is poorly exposed at the bottom of a valley floor within the claims. Assaying indicated the following:

- 0.23 % Mo from bedrock sample GTKM19-29.
-

Plans for 2020 include further sampling to determine the possible size of the mineralized outcrop.

The above assays are historical and have not been confirmed by the Company and are used for reference purposes. The Company believes that the results are an indication of the mineralization present in the property area.

The Company has commissioned a 43-101 report to be prepared on the property.

Bow

On October 11, 2013, the Company entered into an agreement to purchase an 80% interest in two mineral claims located in the Skeena Mining District of British Columbia for \$280,000. The claims cover 471 hectares located 50 kilometres north of Stewart, B.C. The Bow is contiguous with the Crown-granted claims that host the former Scottie Gold mine. This mine, which operated from 1981 to 1985, milled vein material averaging 16.2 grams per tonne gold, producing 2,967,748 grams of gold (95,426 ounces of gold) from 183,147 tonnes of mineralization. Previous work has indicated in excess of 13 different gold-bearing veins in the Bow claim-Scottie gold mine area. As at April 30, 2018, the Company completed the purchase.

During the year ended April 30, 2018, the Company acquired the remaining 20% interest in the Bow#1 and Bow extension mineral claims for \$250,000 from a Company with common directors of which \$50,000 is included in accounts payable as at April 30, 2018 and was subsequently paid.

The property is subject to a 3% net smelter return royalty on mineral products removed from the property, being reduced to a 1% net smelter return upon having paid a sum of \$600,000 pursuant to the royalty.

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On December 12, 2018, the Company entered into an option agreement with Scottie Resources Corp. (formerly Rotation Minerals Ltd.) (“Scottie Resources”), a company connected by way of a common director, whereby the Company has granted an exclusion option to Scottie Resources to acquire a 100% interest in the Bow claims, situated in the Skeena mining district in British Columbia. As consideration the Company will receive a total of \$1,000,000 in five equal instalments, and subject to a 3% net smelter return royalty, as follows:

Cash payments to the Company:

- i) \$200,000 on signing (received);
- ii) a further \$200,000 on or before June 12, 2019 (received);
- iii) a further \$200,000 on or before December 12, 2019 (received);
- iv) a further \$200,000 on or before June 12, 2020, and
- v) a further \$200,000 on or before December 12, 2020.

In the event all the payments are not made, Scottie Resources will have no interest in the Bow property. As a result of the option agreement with Scottie Resources, the Company recorded an impairment on the balance of \$1,971,233 to write-down the property to its estimated recoverable amount of \$1,000,000.

On April 14, 2020, the Company amended the option agreement with Scottie Resources whereby the Company has agreed to receive a cash payment of \$300,000 on or before April 30, 2020 (received) in lieu of the remaining outstanding cash payments totalling \$400,000. As a result of this amendment, the Company recorded a further impairment of \$100,000 on the Bow property at April 30, 2020.

The Bow property is located along volcanic rocks on the boundary with the Summit Lake stock, part of the Texas Creek plutonic suite in the Stewart area. This suite of rocks is related to alteration and mineralization at the former-producing Premier mine 20 kilometres south of the property, and the KSM copper-gold porphyries and Brucejack Lake gold deposits 20 kilometres north of the property.

Previous exploration had outlined three zones on the property, namely the Bend, Blueberry and Road (now called the Oro Grande) veins. These are banded quartz-carbonate veins mineralized with gold-bearing pyrrhotite, pyrite, chalcopyrite, galena and sphalerite occurring as an echelon fracture fillings in an east-west direction. Veins can be up to five metres in width but generally average two to three metres. The Bend vein has been drill tested along 100 metres of strike length and 50 metres of depth. A historical inferred resource was outlined in the drilled portion that included 18,200 tonnes of 10.97 grams per tonne gold. This resource is historical and has not been confirmed through drilling and sampling by the Company. These numbers are for reference purposes only and should not be relied upon. Examination of historical longitudinal sections indicates that mineralization is open along strike and to depth from the above drilling on the Bend vein.

Georgia River

The Georgia River property is located approximately 13 kilometres south of Stewart, B.C., on the east side of the Portland Canal and at the south end of the Golden Triangle.

Narrow quartz veins with pyrite, pyrrhotite, galena, sphalerite, chalcopyrite, arsenopyrite and electrum (gold-silver alloy) occur along northerly trending fault zones. Marked gold enrichment with an increase in quartz veining occurs along the northerly shears in areas associated with their intersection with earlier northwest veins. To date, a total of 18 vein systems have been discovered on the property of which seven are wide northwest-trending quartz veins and eight are later northerly trending gold-bearing veins. Of the identified eight north-trending veins, only one, called the Southwest vein, has been explored to any great extent. Within it, there are three main zones (called zone 1, 2 and 3) of gold-bearing quartz veins where it intersects the earlier quartz veins. Only one of the above gold-bearing zones along the Southwest vein was explored in detail. The Southwest vein was exposed by trenching and drilling for a strike length of at least

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595 metres over a vertical distance of at least 258 metres. It was also explored by two adits 85 metres apart topographically: the No. 1 level drifted along 47.8 metres of the vein while the No. 2 has drifted for 155.5 metres along the vein. From a small stope on the No. 2 level, a total of 454 tonnes were mined and milled in 1937, yielding 10,200 grams Au, 12,705 grams Ag and 3,312 kilograms Pb at an average grade of 22.56 g/t Au, 28.11 g/t Ag and 0.73% Pb.

Based on underground sampling of the Nos. 1 and 2 levels, surface trenching and 95 surface drill holes, a resource was calculated for the property. The reported total combined resources at Georgia River include 290,272 tonnes grading 28.7 grams per tonne gold (B.C. Minfile report). The resource is non-National Instrument 43-101-compliant and has not been verified by the Company.

The bulk of exploration was on only Zone 1 along the Southwest vein and the other two identified zones remain partially explored. Numerous drill targets remain at the property, including along depth at the Southwest No. 1 zone, in the area of Zone 2 and 3 along the Southwest vein as well as the numerous other gold-bearing structures. Drilling has indicated great continuity of gold values along dip within the outlined Zone No. 1 and 2 along the Southwest vein.

By an option agreement dated April 10, 2017, the Company was granted the option to acquire a 75% interest in the Georgia River Property. The property is subject to a 2% net smelter return royalty which may be reduced to 1% at any time after one year of commercial production for a payment of \$1,000,000. Consideration to earn the 75% interest is as follows:

Cash payments:

- i) \$50,000 on execution of the option agreement (paid);
- ii) a further \$75,000 on or before April 10, 2018 (paid);
- iii) a further \$150,000 on or before April 10, 2019;
- iv) a further \$200,000 on or before April 10, 2020.

Exploration expenditures:

- i) \$250,000 on or before April 10, 2018 (deemed incurred);
- ii) a further \$500,000 on or before April 10, 2019;
- iii) a further \$750,000 on or before April 10, 2020;
- iv) a further \$1,000,000 on or before April 10, 2021.

On August 30, 2017, the option agreement was amended to reflect the assignment by the Company of \$700,000 in portable assessment credits to the vendor of the Georgia River Property. In consideration, the initial \$250,000 exploration work commitment was deemed to have been made on the property by the first anniversary.

As at April 30, 2019, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$127,780 to write-off the carrying value of the property.

Treasure Mountain

On July 31, 2017, the Company entered into a mineral claim purchase agreement with Detour Gold Corporation (“Detour”) to purchase a 100% interest in 37 mineral claims covering 7,104 hectares on the southern edge of the Golden Triangle. The claims are subject to a 2% net smelter returns royalty. Under the terms of the agreement, the Company issued 2,700,000 common shares to Detour in consideration for the claims. The Company received a reclamation deposit refund of \$28,200 from the vendor which was offset against the acquisition costs of the property and staked 3 additional claims at a cost of \$7,326. During the three months ended July 31, 2018, the Company staked five additional claims at a cost of \$10,231.

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The mineral claim purchase agreement was accepted for filing by the TSX Venture Exchange on August 10, 2017 and the Company issued Detour 2,700,000 common shares with a fair value of \$418,500 on August 14, 2017.

On August 14, 2018, the Company had acquired, through staking, an additional 7,951.89 hectares of claims in the Terrace, B.C., area. The Company has now amassed a land package of 21,064.33 ha (210 square kilometres) in this area. The new claims adjoin the Midas property of Juggernaut Exploration Ltd. on the north, east and south sides. The new claims are on strike with the reported King Solomon trend. In this trend, the Juggernaut website reports that gold in bedrock from chip, channel and grab samples define a 2.1-kilometre-by-1.6-kilometre area. This mineralization lies within a larger 10-kilometre-by-18-kilometre quartz-sericite-pyrite alteration zone that was independently mapped by the British Columbia Geological Survey. The new acquired claims lie on strike with this trend both at the northwest and southeast portions of the claims.

Starpower Claim

On March 23, 2018, the Company was granted the option to acquire a 100% interest in the Starpower Claim Property, situated in the Omineca Mining Division, British Columbia. The property is subject to a 2.5% net smelter return upon exercise of the option, and after the sixth anniversary the Company shall make advance royalty payments of \$50,000 per year, until such time as payments equalling \$2,500,000 has been paid to the Optionor. The Company may also purchase the royalty from the Optioner at any time for \$2,500,000, less any advance royalty payment. Consideration to earn the 100% interest is as follows:

Cash payments:

- i) \$10,000 on signing (paid);
- ii) a further \$15,000 on or before March 23, 2019;
- iii) a further \$20,000 on or before March 23, 2020;
- iv) a further \$25,000 on or before March 23, 2021;
- v) a further \$30,000 on or before March 23, 2022; and
- vi) a further \$50,000 on or before March 23, 2023.

Common share issuances:

- i) 300,000 common shares (issued) within five Business Days of March 23, 2018;
- ii) an additional 400,000 common shares on or before March 23, 2019;
- iii) an additional 500,000 common shares on or before March 23, 2020;
- iv) an additional 500,000 common shares on or before March 23, 2021;
- v) an additional 500,000 common shares on or before March 23, 2022 ; and
- vi) an additional 500,000 common shares on or before March 23, 2023.

As at April 30, 2019, the Company has decided not to proceed with this option agreement and has recorded an impairment of \$25,000 to write-off the carrying value of the property.

Crest/Cressy Claim

On November 6, 2018 the Company announced it has staked 19 claims totalling approximately 158 hectares in the Hyder mining division in Alaska for \$10,000. These claims are situated along the international border and are adjacent to the Premier East mine property located on the Canadian side of the border, 22 kilometres north of Stewart, B.C.

During the year ended April 30, 2020, the Company disposed of the Cressy property to its original owner for \$14,979.

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Terrace property

On July 8, 2019, the Company was granted the option to acquire a 100% interest in the Terrace Property, situated in the Omineca Mining Division, British Columbia. Consideration to earn the 100% interest is as follows:

Cash payments:

- i) \$20,000 on signing (paid);
- ii) a further \$30,000 on or before July 8, 2020 (subsequently paid);
- iii) a further \$50,000 on or before July 8, 2021; and
- iv) a further \$200,000 on or before July 8, 2022.

The property is subject to a 3.0% net smelter return upon exercise of the option, and upon the commencement of commercial production. Upon commencement of commercial production, the Company shall make quarterly royalty payments owing and payable to the Optioner one-hundred-twenty days following the completion of the Company's quarter end. The Net smelter return payments are to be based on US value of metal prices and the Company is entitled to purchase 2% of the Royalty from the Optioner at any time for a cash payment of \$1,000,000.

During the year ended April 30, 2020, the Company staked five additional claims totalling 3,625.3 hectares located 10 kilometres east of Terrace at a cost of \$9,175.

On July 23, 2019, the Company announced that it has started exploration on the Terrace area properties which include four separate claim holdings that have a variety of different types of mineralization. Included in the different types are the following:

- Red bed copper-silver mineralization in Hazelton group volcanic rocks;
- Felsic dikes with quartz-sulphide veins on the boundaries hosting gold-bearing mineralization;
- Quartz-sulphide veins with significant gold-silver mineralization;
- Shear-hosted gold-silver mineralization associated with copper mineralization;
- Porphyry-style copper-gold and copper-molybdenum-gold mineralization in granitic to dioritic rocks which have invaded volcanic rocks of the Hazelton group Lower to Middle Jurassic.

The Company is taking advantage of the numerous logging roads in the area of the claims to conduct geochemical sampling. Numerous prospects particularly near granitic apophyses have achieved small production from high-grade gold-silver veins in the past within the mineral holdings controlled by the Company. The Company is locating the prospects as well as any new mineralization exposed by logging.

On August 20, 2019, The Company announced that it has assembled five additional claims, totaling 3,265.3 hectares, in the Terrace area. The claims, located 10 kilometres east of Terrace, are traversed by a system of logging roads that provide excellent access for exploration.

Porphyry-style copper and molybdenum mineralization have been reported over a wide area on the property, as well as gold-silver-bearing quartz veins and copper gold disseminations in shears. Included in the reported showings are the: Croesus copper-molybdenum porphyry prospect; Excelsior copper-gold porphyry prospect; Gem gold-silver showings and underground workings; Croesus gold-silver showings and underground workings; as well as numerous other mineral showings.

The Croesus zone has pyrite, chalcopyrite and local bornite/molybdenite occurring as fracture fillings and disseminations with copper carbonates. Areas of siliceous breccia resembling explosion breccias have been reported in the zone. Veinlets of quartz with selvages of sulphides form stockworks within the zone. Reported alteration includes: sericite, kaolinite, chlorite and pink potassium feldspar. Grab sampling in 1966 in one of the trenches assayed 0.20 per cent copper, 16.94 grams per tonne silver and 1.69 grams per

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tonne gold. The above result on the Croesus prospect has not been confirmed by Company assaying and is used for reference purposes only.

The Excelsior porphyry zone is situated approximately one kilometre east of the Croesus porphyry zone. The zone has been explored by bulldozer trenching in the 1960s. It consists of altered and sheared dark-green volcanics, which are mineralized by pyrite and quartz carbonate chlorite veins with chalcopyrite. Three 1966 trenches have been reported to have explored an area roughly 60 metres by 20 metres. Sampling in this period reported assays with an average of 0.24 per cent copper, 13.89 grams per tonne silver and 1.10 grams per tonne gold from 10 metres of sampling in four trenches. The above result on the Excelsior prospect has not been confirmed by Company assaying and is used for reference purposes only.

The Company is taking advantage of the numerous logging roads in the area of the claims to conduct geochemical sampling. The Company is locating the prospects as well as any new mineralization exposed by logging.

On October 29, 2019, the Company announced that it has carried out several surface exploration programs on its extensive Terrace area properties. The Company has completed historical research of all available reports and has identified numerous areas for further work.

The Terrace area properties include four separate claimholdings that have a variety of different types of mineralization. Included in the different types are the following:

- Red bed copper-silver mineralization in Hazelton group volcanic rocks;
- Felsic dikes with quartz sulphide veins on the boundaries hosting gold-bearing mineralization;
- Quartz-sulphide veins with significant gold-silver mineralization;
- Shear-hosted gold-silver mineralization associated with copper mineralization;
- Porphyry-style copper-gold and copper-molybdenum-gold mineralization in granitic-to-dioritic rocks, which have invaded volcanic rocks of the Hazelton group (Lower to Middle Jurassic).

The Company took advantage of the numerous logging roads in the area of the claims to conduct geochemical sampling. Numerous prospects, particularly near granitic apophyses, have achieved small production from high-grade gold-silver veins in the past (British Columbia Minfile) within the mineral holdings controlled by the Company.

The Company located a total of five separate quartz-pyrite veins over widths of 0.5 metre to four metres and strike lengths of several hundred metres. The area of the veins is covered by dense underbrush and overburden, which hampered exploration.

The Company also sampled a variety of old trenches located over an extensive area of silicification and pyrite mineralization.

On November 14, 2019, the Company completed sampling on the Terrace gold property, located 12 kilometres east of Terrace, B.C. Exploration was on claims totalling 3,265.3 hectares. The claims are traversed by a system of old logging roads that provide access for exploration without the need for a helicopter.

The Company located a total of five separate quartz-pyrite veins over widths of 0.5 metre to four metres and strike lengths of several hundred metres. Historic laboratory testing indicates that gold and silver are present as tellurides that occur as tiny inclusions and fillings in spongy pyrite. Minor scheelite, galena, sphalerite and tetrahedrite were also reported. The veins comprise 70 per cent to 95 per cent white bull quartz, with the remainder consisting of 5 per cent to 20 per cent coarse cubic pyrite, less than 1 per cent sericite, less than 1 per cent chlorite, plus/minus galena, plus/minus sphalerite. The amount of gold varies directly with the amount of coarse-grained pyrite. Usually, the pyrite is concentrated on vein selvages.

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Often up to four-centimetre bands of massive pyrite exist. The Company has not confirmed the above laboratory testing and is using it for reference purposes only. Work by the Company indicates that parallel mineralized structures near the main veins and flat-lying mineralized splays from the main veins increase the overall gold-bearing zones.

Sampling was carried out over the following located veins: Bluebird, Gem, Croesus, Road and Dollar. Due to the size of area covered, only grab samples were taken from as many quartz veins located as possible. The main vein is Gem, which has a historic resource of 4,355 tonnes averaging 26.06 grams per tonne gold and 59.31 grams per tonne silver calculated over a length of 34 metres and a width of 0.4 metre. The vein has been developed by two adits, with higher grades indicated in the lower one. In 1988, a chip sample from a vein in drift No. 2 assayed trace to 105.9 grams per tonne gold. The Company has not confirmed the above assay results and is using them for reference purposes only.

The area of the reported five-ounce vein was not located due to dense underbrush and overburden, which hampered exploration. In addition, sampling in previous surveys indicates possible numerous other vein structures, with geochemical results returning up to 0.6 g/t gold in soils.

Highlights of sampling are provided in the attached table.

| Vein sampled | Sample number | Sample type | Gold (g/t) | Silver (g/t) |
|--------------|---------------|-------------|------------|--------------|
| Croesus | A19-30 | Grab | 68.6 | 53.3 |
| Croesus | A19-32 | Grab | 1.97 | 24.2 |
| Croesus | A19-37 | Grab | 11.8 | 35.4 |
| Road | TGKM-68 | Grab | 2.42 | 4.8 |
| Gem | A19-50 | Grab | 19.3 | 41.1 |
| Gem | TGKM-69 | Grab | 11.5 | 23.6 |
| Gem | TGKM-79 | Grab | 11.3 | 54.2 |
| Gem | TGKM-87 | Grab | 5.32 | 60.6 |

All of the gold-bearing samples had elevated tellurium values.

Del Norte property

On January 6, 2020, the Company entered into an option agreement to acquire up to 75% interest in the Del Norte property, situated 34 kilometres east of Stewart, BC, comprising of 5,830.16 hectares in 13 separate claims. The property is subject to a 2% net smelter returns royalty. Consideration to earn the first 55% interest consist of cash payments of \$200,000 over four years, issuance of 800,000 common shares on signing, issuance of \$180,000 of common shares of the Company over four years and exploration expenditures of \$4,000,000 over five years as follows:

Cash payments and share issuances:

- i) \$20,000 on signing (paid) and the issuance of 800,000 common shares of the Company upon receipt of exchange approval (issued);
- ii) \$30,000 cash payment and issuance of \$30,000 worth of common shares of the Company on or before the earlier of January 6, 2021 and the date which is 30 days after the date on which the Company has made the year one expenditures;
- iii) \$40,000 cash payment and issuance of \$40,000 worth of common shares of the Company on or before the earlier of January 6, 2022 and the date which is 30 days after the date on which the Company has made the year two expenditures;
- iv) \$50,000 cash payment and issuance of \$50,000 worth of common shares of the Company on or before the earlier of January 6, 2023 and the date which is 30 days after the date on which the Company has made the year three expenditures;

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- v) \$60,000 cash payment and issuance of \$60,000 worth of common shares of the Company on or before the earlier of January 6, 2024 and the date which is 30 days after the date on which the Company has made the year four expenditures;

Exploration expenditures:

- i) \$400,000 on or before January 6, 2021;
 ii) \$500,000 on or before January 6, 2022;
 iii) \$600,000 on or before January 6, 2023;
 iv) \$1,000,000 on or before January 6, 2024; and
 v) \$1,500,000 on or before January 6, 2025.

The Company has the right to earn an additional 20% interest in the property by placing the property into production.

The Company's geologists, as part of the Company due diligence, checked for a south extension to the gold-silver bearing structure identified and to confirm high-grade values at the most southerly exposure previously explored.

The Company has been assessing all previous data on the Del Norte property in order to finalize the Company's 2020 field season plans.

The property has numerous mineral showings with the most extensively explored being the LG vein and stockwork. Previous work has shown a continuity of gold-silver values over an explored length of 1.7 km, open both to the north and south. The Company plans a work program consisting of geochemical sampling, saw cut sampling and extensive drilling. Saw cut sampling is planned in the Crackle zone, a 700 m wide zone with quartz-sulphide veins and stringers from centimetre to metre widths with high gold values associated with arsenopyrite. Continued geochemical sampling will be carried out in areas exposed by ablation of glaciers and to determine the source of high-gold-bearing float north along the extension of the LG vein. Past drill results indicate a widening of stockwork widths with increases of gold within deeper drill holes. Drilling amount will be contingent on funds available.

Areas that the Company will expand on previous drilling include those in the table.

| Area to be tested | Previous drill holes | Width m | Gold g/t | Silver g/t |
|----------------------|----------------------|---------|----------|------------|
| Area 1 | DDH 06-11 | 4.05 | 26.54 | 1,208 |
| Only 2 holes drilled | DDH 06-12 | 3.97 | 1.35 | 20.7 |
| Area 2 | DDH 02-01 | 31.1 | 3.57 | 192.3 |
| 450 m N of area 1 | DDH 02-02 | 32.9 | 4.59 | 178.9 |
| Only 3 holes drilled | DDH 02-03 | 23.4 | 7.64 | 277.3 |
| Area 3 | DDH 05-02 | 15.54 | 6.47 | 346.02 |
| 450 m N of area 2 | DDH 0-036 | 8.60 | 3.02 | 270.50 |
| | DDH 05-05 | 4.27 | 4.48 | 476.45 |
| Area 4 | DDH 0-20 | 8.75 | 7.1 | 512.4 |
| 300 m N of area 3 | | | | |

The assays are historical and have not been confirmed by the Company and are used for reference purposes. The company believes that the results are an indication of the mineralization present in the property area.

Ed Kruchkowski, P. Geo., a qualified person under National Instrument 43-101, is in charge of all exploration programs on behalf of the Company and has reviewed the disclosures contained in this MD&A. Mr Kruchkowski is a director and the Chief Executive Officer of the Company.

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SELECTED ANNUAL INFORMATION

The following financial data is selected information for the most recently completed fiscal years:

| | April 30, <u>2020</u> | April 30, <u>2019</u> | April 30, <u>2018</u> |
|--|--------------------------|--------------------------|--------------------------|
| Total revenues | \$ - | \$ - | \$ - |
| Share-based payments | \$ - | \$ - | \$ 676,000 |
| Write-off of exploration and evaluation assets | \$ (840,761) | \$ (2,124,013) | \$ (13,124) |
| Deferred income tax recovery (expense) | \$ 330,430 | \$ 646,748 | \$ (347,102) |
| Net loss for the year | \$ (1,096,281) | \$ (2,232,494) | \$ (1,653,587) |
| Basic loss per share | \$ (0.01) | \$ (0.01) | \$ (0.01) |
| Total assets | \$ 10,989,096 | \$ 12,854,999 | \$ 12,902,518 |
| Total long-term liabilities | \$ 325,424 | \$ 655,854 | \$ 1,302,602 |
| Cash dividends per share | \$ - | \$ - | \$ - |

All the annual results were derived from financial statements prepared using IFRS.

RESULTS OF OPERATIONS

The Company recorded a net and comprehensive loss of \$1,096,281 during the year ended April 30, 2020 as compared to \$2,232,494 for the year ended April 30, 2019 a decrease of approximately \$1,136,213, which can be attributed to the following:

Consulting fees for the year ended April 30, 2020 amounted to \$108,000 as compared to \$378,880 for the year ended April 30, 2019 a decrease of \$270,880.

During the year ended April 30, 2020, the Company recorded an impairment of \$840,761 as compared to an impairment of \$2,124,013 for the comparable quarter a decrease of approximately \$1,283,252. In the year ended April 30, 2020, the Company decided not to proceed with the Silver Crown project and wrote-off \$722,232. The Company also disposed of the Cressy Property back to its original owner. In the prior period the Company recorded the impairment on the balance of the Bow #1 property to its estimated recoverable amount of \$1,000,000 based on the option agreement with Scottie Resources Corp and recorded a further impairment of \$100,000 during the year ended April 30, 2020 to its estimated recoverable amount of \$900,000.

Legal fees for the year ended April 30, 2020 decreased to \$29,555 as compared to \$40,043 for the year ended April 30, 2019. There were no private placements in the current year compared to the numerous private placements in the previous year which required the involvement of legal counsel.

Filing fees for the year ended April 30, 2020 decreased to \$9,292 compared to \$20,860 for the previous year. The decrease in filing fees coincide with no private placements in the current year compared to the numerous private placements in the previous year.

Shareholder communications for the year ended April 30, 2020 increased to \$97,365 compared to \$71,212 for the year ended April 30, 2019. In the current period the Company had increased the rate paid to Mr. Assaly for investor relations services.

All other costs were consistent with that of the prior year.

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SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended April 30, 2020 and 2019 are calculated from the Company's annual audited financial statements. All other amounts are from unaudited condensed interim financial statements prepared by management.

| | Q4 Apr. 30, <u>2020</u> | Q3 Jan. 31, <u>2020</u> | Q2 Oct. 31, <u>2019</u> | Q1 Jul. 31, <u>2019</u> |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| Net and comprehensive loss | \$ 71,604 | \$ (867,945) | \$ (144,242) | \$ (155,698) |
| Basic and diluted loss per share | \$ 0.00 | \$ (0.01) | \$ (0.00) | \$ (0.00) |

| | Q4 Apr. 30, <u>2019</u> | Q3 Jan. 31, <u>2019</u> | Q2 Oct. 31, <u>2018</u> | Q1 Jul. 31, <u>2018</u> |
|----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Total revenues | \$ - | \$ - | \$ - | \$ - |
| Net and comprehensive loss | \$ 381,687 | \$ (2,123,677) | \$ (132,749) | \$ (357,755) |
| Basic and diluted loss per share | \$ 0.00 | \$ (0.01) | \$ (0.00) | \$ (0.00) |

Variances in quarterly results can be due to share-based payments incurred in a quarter as the Company's stock options generally vest on the grant date and therefore are fully expensed in the quarter in which they are granted; to deferred income tax expense recorded in a quarter related to the renouncement mineral property expenditures to the investors in the Company's flow-through private placements; and to the write-off of mineral properties during a quarter.

In the quarter ended January 31, 2019, the Company recorded an impairment of \$1,996,233 on the Bow Property and Starpower Claim. In the quarter ended April 30, 2019, the Company recorded a deferred income tax recovery of \$646,748 resulting in net income. In the quarter ended January 31, 2020, the Company recorded an impairment of \$725,582 on the Silver Crown project. In the quarter ended April 30, 2020, the company recorded a deferred income tax recovery of 330,430 resulting in net income.

LIQUIDITY AND CAPITAL RESOURCES

To date, the Company has been able to fund administrative overheads and property exploration and evaluation through equity financings. Uncertainty in the financial equity markets may make it difficult to raise capital through the private placement of shares. The junior mining industry is considered speculative in nature which could make it even more difficult to fund. While the Company is using its best efforts to achieve its business plans by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures. The Company will require equity financings to meet its future exploration and administrative commitments. At April 30, 2020, the Company had working capital deficiency of \$631,092.

The Company believes that the current capital resources are not sufficient to pay overhead expenses for the next twelve months and will need to seek additional funding to fund its overhead expenses and its commitments. The Company will continue to monitor the current economic and financial market conditions and evaluate their impact on the Company's liquidity and future prospects.

Since the Company will not be able to generate cash from its operations in the foreseeable future, the Company will have to rely on the issuance of shares or the exercise of options and warrants to fund

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ongoing operations and investment. The ability of the Company to raise capital will depend on market conditions and it may not be possible for the Company to issue shares on acceptable terms or at all.

Commitments

The Company has commitments with respect to its exploration and evaluation assets as follows:

Terrace property:

Cash payments:

- i) \$20,000 (paid);
- ii) a further \$30,000 on or before July 8, 2020;
- iii) a further \$50,000 on or before July 8 2021; and
- iv) a further \$200,000 on or before July 8, 2022.

Del Norte property

Cash payments and share issuances:

- ii) \$20,000 on signing (paid) and the issuance of 800,000 common shares of the Company upon receipt of exchange approval (issued);
- ii) \$30,000 cash payment and issuance of \$30,000 worth of common shares of the Company on or before the earlier of January 6, 2021 and the date which is 30 days after the date on which the Company has made the year one expenditures;
- iii) \$40,000 cash payment and issuance of \$40,000 worth of common shares of the Company on or before the earlier of January 6, 2022 and the date which is 30 days after the date on which the Company has made the year two expenditures;
- iv) \$50,000 cash payment and issuance of \$50,000 worth of common shares of the Company on or before the earlier of January 6, 2023 and the date which is 30 days after the date on which the Company has made the year three expenditures;
- v) \$60,000 cash payment and issuance of \$60,000 worth of common shares of the Company on or before the earlier of January 6, 2024 and the date which is 30 days after the date on which the Company has made the year four expenditures;

Exploration expenditures:

- i) \$400,000 on or before January 6, 2021;
- ii) \$500,000 on or before January 6, 2022;
- iii) \$600,000 on or before January 6, 2023;
- iv) \$1,000,000 on or before January 6, 2024; and
- v) \$1,500,000 on or before January 6, 2025.

Financing Activities

For the year ended April 30, 2020

During the year ended April 30, 2020, the Company received \$220,000 in loans from companies with common directors. The amounts are unsecured, non-interest bearing and have no fixed terms of repayment.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

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TRANSACTIONS WITH RELATED PARTIES

At April 30, 2020, the directors were Ed Kruchkowski, Randy Kasum, Lance Robinson and Brian Morrison. The officers were Ed Kruchkowski (CEO) and Randy Kasum (CFO). Additional related parties include Red Eye Resources Ltd (“Red Eye”) and Kasum Tractor Ltd (“Kasum”), companies managed by Randy Kasum. Sunbeam Drilling Ltd (“Sunbeam”), Greenback Ventures Ltd (“Greenback”), K-6 Consulting Group Ltd (“K-6”), Mountain Boy Minerals Ltd (“MB”) and Matrik Consulting Inc. (“Matrik”), companies with directors, namely Randy Kasum, Ed Kruchkowski and Brian Morrison, in common.

The Company incurred the following charges by directors of the Company, by companies with directors in common with the Company and by a company managed by a director of the Company for the year ended April 30, 2020 and 2019:

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|---------------------|
| Consulting fees (Matrik) | \$ 96,000 | \$ 96,000 |
| Exploration and evaluation assets – drilling (Sunbeam) | - | 1,735,200 |
| Exploration and evaluation assets – equipment rental (Kasum and Red Eye) | 47,215 | 41,738 |
| Exploration and evaluation assets – field supplies (Red Eye) | - | 7,000 |
| Exploration and evaluation assets – geological (Kasum Tractor and K-6) | - | 2,000 |
| Exploration and evaluation assets – labour (Kruchkowski) | - | 20,000 |
| Exploration and evaluation assets – acquisition (Red Eye) | - | 10,000 |
| Exploration and evaluation assets – supervision (Greenback and Kruchkowski) | 136,930 | 109,800 |
| Management fees (Greenback and K-6) | <u>240,000</u> | <u>240,000</u> |
| | <u>\$ 520,145</u> | <u>\$ 2,261,738</u> |

On December 12, 2018, the Company entered into an option agreement with Scottie Resources, a company connected by way of a common director, whereby the Company has granted an exclusive option to Scottie Resources to acquire a 100% interest in the Bow claims, situated in the Skeena mining district in British Columbia.

At April 30, 2020, exploration advances includes \$Nil (April 30, 2019: \$2,000) paid to a company with directors in common with the Company.

At April 30, 2020, accounts payable and accrued liabilities includes \$177,380 (April 30, 2019: \$869,147) due to a director of the Company, to companies with directors in common with the Company and to a company managed by a director of the Company for unpaid fees. Subsequent to April 30, 2020, \$30,000 of these accrued liabilities were settled by issuance of common shares and \$137,000 was forgiven by a director of the Company.

During the year ended April 30, 2020, the Company received \$220,000 in loans from companies with common directors. As at April 30, 2020, the amount due to related party of \$219,500 (April 30, 2019: \$Nil) is due to companies with common directors and the amounts are unsecured, non-interest bearing and have no fixed terms of repayment. Subsequent to April 30, 2020, these amounts were settled by issuance of common shares.

During the year ended April 30, 2020, the Company sold equipment to a company managed by directors of the Company for total proceeds of \$5,000 resulting in a loss on disposal of \$782.

During year ended April 30, 2019, the Company rendered services to a company with a common director for \$8,300 which is included in other income.

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Key management compensation

The Company considers its Chief Executive Officer and Chief Financial Officer to be key management. During the year ended April 30, 2020 and 2019, the Company incurred the following key management charges:

| | <u>2020</u> | <u>2019</u> |
|-----------------|-------------------|-------------------|
| Management fees | \$ <u>240,000</u> | \$ <u>240,000</u> |
| | <u>\$ 240,000</u> | <u>\$ 240,000</u> |

PROPOSED TRANSACTIONS

The Company has no proposed transactions to report.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only; or in the period of the change and future periods, if the change affects both.

Information about critical accounting estimates and judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Exploration and Evaluation Expenditures

The application of the Company's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

Title to Mineral Properties

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Rehabilitation Provisions

Rehabilitation provisions have been determined to be \$Nil based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes

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are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from period to period.

Recognition of Deferred Income Tax Assets and Liabilities

The carrying amount of deferred income tax assets and liabilities is reviewed at the end of each reporting period and recognized only to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Changes in estimates of future taxable profit can materially affect the amount of deferred income tax assets and liabilities recognized from period to period.

Going Concern

Management has applied judgments in the assessment of the Company's ability to continue as a going concern when preparing its financial statements. Management prepares the financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative to do so. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to, twelve months from the end of the reporting period.

CHANGES IN ACCOUNTING POLICIES

There were no changes in the Company's significant accounting policies during the year ended April 30, 2020 that had a material effect on its annual financial statements. The Company's significant accounting policies are disclosed in Note 3 to annual audited financial statements for the years ended April 30, 2020 and 2019.

The following standard was be adopted effective May 1, 2019:

IFRS 16 Leases - In June 2016, the IASB issued IFRS 16, *Leases* which establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or financing leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

The adoption of this standard did not have any significant effect on the Company as the Company does not have any leases.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying amounts of financial assets and liabilities approximate their fair value.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

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Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, accounts receivable, accounts payable and due to related parties. Cash is classified and measured at FVTPL. Accounts receivable, accounts payable and due to related parties are classified and measured at amortised cost.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivables are exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's considers its exposure to interest rate risk to be not significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. When future cash flows are fairly uncertain, the liquidity risk increases.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 30 days. The Company monitors its risk of shortage of funds by monitoring the maturity dates of existing trade and other accounts payable. The Company prepares monthly operating expenditure budgets, which are regularly monitored and updated as considered necessary. The Company intends to meet its current obligations through funds to be raised via the private placement of shares and through related party loans.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties detailed earlier in this MD&A, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

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Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the Company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and competition for qualified personnel may be intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Option Agreements

The Company is currently earning some of its interests in its mineral properties through option agreements and acquisition of title to the property is only completed when the option conditions have been met. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the mineral property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

Impact of COVID-19

In March 2020, the World Health Organization declared COVID-19 a global pandemic. To date, there have been a large number of temporary business closures, quarantines and a general reduction in consumer activity in Canada. The outbreak has caused companies and various governmental bodies to impose travel, gathering and other public health restrictions. While these effects are expected to be temporary, the duration of the various disruptions to businesses locally and internationally and the related financial impact cannot be reasonably estimated at this time. Similarly, the Company cannot estimate whether or to what extent this outbreak and the potential financial impact may extend. At this point, the extent to which COVID-19 will or may impact the Company is uncertain and these factors are beyond the Company's control; however, it is possible that COVID-19 may have a material adverse effect on the Company's business, results of operations and financial condition.

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DISCLOSURE OF OUTSTANDING SHARE DATA

a) Issued: Number
As at the date of this MD&A 204,342,367

b) Share Purchase Warrants:

At the date of this MD&A, the Company had 62,206,769 share purchase warrants outstanding entitling the holders the right to purchase one common share for each warrant held as follows:

| <u>Number of Warrants</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|-------------------------------|---------------------------|--------------------|
| 180,000 | \$0.08 | September 18, 2020 |
| 1,742,384 | \$0.08 | November 5, 2020 |
| 4,215,385 | \$0.08 | December 14, 2020 |
| 22,069,000 | \$0.07 | December 14, 2020 |
| 10,000,000 | \$0.055 | October 4, 2021 |
| <u>24,000,000</u> | \$0.08 | August 5, 2022 |
| <u>62,206,769</u> | | |

c) Stock Options:

At the date of this MD&A, the Company had 11,773,000 stock options outstanding entitling the holders to purchase one common share for each option held as follows:

| <u>Number of Options</u> | <u>Exercise Price</u> | <u>Expiry Date</u> |
|------------------------------|---------------------------|--------------------|
| 7,773,000 | \$0.06 | March 1, 2023 |
| <u>4,000,000</u> | \$0.05 | June 3, 2025 |
| <u>11,773,000</u> | | |