

TRUE GRIT RESOURCES LTD.

Management's Discussion & Analysis

FORM 51-102F1

**For the Period Ended
September 30, 2017**
(the "Period")

Cautionary Notices

The Company’s unaudited financial statements for the Period, and this accompanying Management’s Discussion and Analysis (“MD&A”) contain statements that constitute “forward-looking statements” within the meaning of National Instrument 51-102, Continuous Disclosure Obligations of the Canadian Securities Administrators. Forward-looking statements often, but not always, are identified by the use of words such as “seek”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “targeting” and “intend” and statements that an event or result “may”, “will”, “should”, “could”, or “might” occur or be achieved and other similar expressions. Forward-looking statements in this MD&A include statements regarding the Company’s future exploration plans and expenditures, the satisfaction of rights and performance of obligations under agreements to which the Company is a part, the ability of the Company to hire and retain employees and consultants and estimated administrative assessment and other expenses. The forward-looking statements that are contained in this MD&A involve a number of risks and uncertainties. As a consequence, actual results might differ materially from results forecast or suggested in these forward-looking statements. Some of these risks and uncertainties are identified under the heading “Risks Related to the Company’s Business” in this MD&A. Additional information regarding these factors and other important factors that could cause results to differ materially may be referred to as part of particular forward-looking statements. The forward-looking statements are qualified in their entirety by reference to the important factors discussed under the heading “Risks Related to the Company’s Business” and to those that may be discussed as part of particular forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that 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 the forward-looking statements. Factors that could cause the actual results to differ include market prices, exploration success, continued availability of capital and financing, inability to obtain required regulatory approvals and general market conditions. These statements are based on a number of assumptions, including assumptions regarding general market conditions, the timing and receipt of regulatory approvals, the ability of the Company and other relevant parties to satisfy regulatory requirements, the availability of financing for proposed transactions and programs on reasonable terms and the ability of third-party service providers to deliver services in a timely manner. Forward-looking statements contained herein are made as of the date of this MD&A and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking 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.

Introduction

The management’s discussion and analysis (“MD&A” or “Report”) of True Grit Resources Corp. (the “Company” or “True Grit”) has been prepared by management in accordance with the requirements under National Instrument 51-102 as at November 29, 2017 (the “Report Date”), and provides comparative analysis of the Company’s financial results for the Period. The following information should be read in conjunction with the Company’s audited consolidated financial statements for the years ended March 31, 2017 and 2016 together with the notes thereto (collectively, the “Financial Statements”). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance, and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward-looking statements, and the Company cautions investors that any forward looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events. Please refer to the risks and cautionary notices of this MD&A. Additional information relating to the Company may be found on SEDAR at www.sedar.com.

Description of Business, Overall Performance, and Projects

The Company is a mineral exploration company engaged in the acquisition, exploration and development of mineral properties in North America, primarily in Arizona, USA. The Company is a reporting issuer in British Columbia and Alberta, and trades on the TSX Venture Exchange under the symbol TGI.H.

At any given time, the Company may have a number of projects at various stages of exploration and partnership or joint venture participation. The discussion below provides summary information in respect of the Company’s mineral properties and the activity thereon. Refer to the Company’s news releases filed on www.sedar.com, for additional exploration results. The commitments in respect of consideration to be paid or received on acquisition or disposition of the Company’s properties, respectively, are detailed in the Company’s Financial Statements.

Arizona Property

During the period ended September 30, 2017, the Company entered into a definitive mineral agreement whereby the Company has been granted an option to purchase a 640-acre Arizona State Land, mineral exploration permit.

Considerations pursuant to the exercise of the option are as follows:

- (a) Cash Payments
 - (i) US\$40,000 upon signing the agreement (paid);
 - (ii) US\$75,000 on or before November 25, 2017;
 - (iii) US\$100,000 on or before November 25, 2018, and
 - (iv) US\$150,000 on or before November 25, 2019.
- (b) Share issuances
 - (i) 500,000 shares upon signing the agreement (issued subsequently);
 - (ii) 600,000 shares on or before November 25, 2017;
 - (iii) 600,000 shares on or before November 25, 2018, and
 - (iv) 600,000 shares on or before November 25, 2019.
- (c) Exploration expenditures
 - (i) \$200,000 by the first anniversary of the effective date of the agreement;
 - (ii) \$200,000 on or before the second anniversary of the effective date of the agreement;
 - (iii) \$400,000 on or before the third anniversary of the effective date of the agreement, and
 - (iv) \$400,000 on or before the fourth anniversary of the effective date of the agreement.

Summary of Quarterly Results

The following are selected financial data from the Company’s eight most recently completed quarters.

	September 30, 2017	June 30, 2017	March 31, 2017	December 31, 2016
Financial results				
Net income (loss)	\$ 17,299	\$ 79,617	\$ (16,113)	\$ (59,568)
Basic and diluted income (loss) per share	0.00	0.01	(0.00)	(0.01)
Balance sheet data				
Cash	99,983	1,542	6,344	6,161
Exploration & evaluation assets	151,615	67,483	-	-
Total assets	269,726	114,548	40,694	19,720
Current Liabilities	316,428	580,791	846,854	863,371
Shareholders’ equity (deficit)	(46,702)	(466,243)	(806,160)	(843,651)
	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Financial results				
Net income (loss)	\$ 19,740	\$ (13,776)	\$ (88,506)	614,157
Basic and diluted income (loss) per share	(0.09)	(0.00)	(0.01)	0.08
Balance sheet data				
Cash	1,343	78	1,654	8,146
Exploration & evaluation assets	40,432	40,432	40,432	40,431
Total assets	45,544	42,618	44,075	50,457
Current liabilities	829,627	846,441	834,122	929,012
Shareholders’ equity (deficit)	(784,083)	(803,823)	(790,047)	(878,556)

Results of Operations

The Company has no revenue from its mineral interests, and losses are mainly costs associated with management of the Company. Losses are reduced from time to time by any gain on disposition of a property, which could include marketable securities received as payment.

For the six month period ended September 30, 2017

The Company incurred comprehensive income of \$96,916 for the six month period ended September 30, 2017, compared with income of \$5,964 in the same period of the prior year.

A brief explanation of the significant changes in expenses by category is provided below:

- Accounting and audit increased to \$36,668 (2016 - \$16,786) due to contracted accounting and bookkeeping services incurred during the period.
- Gain on write-off of debt of \$81,165 (2016 - \$40,714) resulted from a write-off of due to related party balances during the period.
- Gain on settlement of loan payable of \$146,988 (2016 - \$Nil) resulted from the settlement of loans with shares and warrants during the period.
- Legal increased to \$22,274 (2016 - \$Nil) due to fees incurred pursuant to the rights offering during the period.
- Share-based compensation increased to \$42,500 (2016 - \$Nil) due to warrants granted pursuant to settlement of loans payable.

For the three month period ended September 30, 2017

The Company incurred comprehensive income of \$17,299 for the three month period ended September 30, 2017, compared with income of \$19,740 in the same period in the prior year.

A brief explanation of the significant changes in expenses by category is provided below:

- Accounting and audit increased to \$30,971 (2016 - \$16,786) due to contracted accounting and bookkeeping services incurred during the period.
- Gain on write-off of debt of \$81,165 (2016 - \$40,714) resulted from write-off of dues to related parties during the period.
- Legal increased to \$21,511 (2016 - \$Nil) due to fees incurred pursuant to the rights offering during the period.

Liquidity and Financial Condition

The Financial Statements are prepared on a 'going concern' basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent on its ability to raise additional funds or the attainment of profitable operations. The Company will need to raise or borrow money for exploration and administration expenditures, and to settle current liabilities, and to ensure it maintains sufficient funds to keep its claims and property agreements in good standing. Current sources of funding are undetermined, and management continues to review potential financing options. Although the Company has been successful at raising funds in the past through the issuance of share capital and entering into loan agreements, there is no guarantee it will be successful or able to continue to do so in the future.

During the period from April 1, 2017 to November 28, 2017,

- the Company and various creditors agreed to settle loans in the aggregate amount of \$364,788 in consideration of the issuance of an aggregate of 7,260,000 common shares of the Company (valued at \$217,800) and 2,730,000 share purchase warrants with each warrant entitling the holder to purchase one additional share for a period of one year at a price of \$0.10 per share (valued at \$42,500).
- the Company completed a rights offering of 13,408,080 units at a price of \$0.03 per unit for gross proceeds of \$402,242. Each unit consisted of one common share and one non-transferable warrant, each of which

entitles the holder to purchase an additional common share at an exercise price of \$0.10 per share until September 6, 2018. No value was allocated to the warrant component of the unit offering completed.

At September 30, 2017 and March 31, 2017, the Company had:

	September 30, 2017		March 31, 2017	
Working capital deficit	\$	(198,317)	\$	(806,160)
Accounting payable and accrued liabilities		44,203		56,011
Due to related parties		5,905		107,158
Loan payable		241,779		565,500
Interest payable on loans		24,541		118,185

Capital Resources

The Company’s primary capital assets are mineral property interests. The Company capitalizes all costs related to the mineral properties. The Board of Directors is responsible for a quarterly review of the properties and any decisions toward impairment. If the property is considered impaired, accumulated costs are expensed at that time.

Off Balance Sheet Transactions

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company’s related parties consist of directors, executive officers, and companies controlled or influenced by them. The Company incurred certain fees and expenses in the normal course of operations in connection with companies owned by such parties for the Period.

The Company conducts certain of its administration and exploration activities through an arrangement with AESC, in which a director is a shareholder. For the periods ended September 30, 2017 and 2016 the Company was charged for exploration costs and to reimburse office and administrative costs as follows:

	September 30, 2017		September 30, 2016	
Office operations	\$	-	\$	556
Management fees		7,500		-
	\$	7,500	\$	556

At September 30, 2017, \$90,001 was owed to AESC (March 31, 2017: \$90,001) which amounts include \$25,300 in respect of the services of the CEO during the year ended March 31, 2015. At September 30, 2017, the Company owed \$30,000 (March 31, 2017: \$30,000) in respect of the services of the CEO during the year ended March 31, 2016.

Effective July 1, 2016, AESC agreed to suspend further charges to the Company until such time as the Company has received funding or is able to satisfy its indebtedness to AESC.

The Company’s related parties consist of directors, executive officers, and companies controlled or influenced by them. The Company incurred certain fees and expenses in the normal course of operations in connection with companies owned by such parties for the periods ended September 30, 2017 and 2016.

Key management personnel were not paid post-retirement benefits, termination benefits, or other long-term benefits during the periods ended March 31, 2017 and 2016. On August 31, 2016, the Company paid \$14,286 as consideration of indebtedness for services rendered by the former CFO, and the remaining \$40,714 was written off. The CFO and the management member have suspended charging their fees until such time as the Company has received funding or is able to satisfy its indebtedness to these individuals.

At September 30, 2017, the Company owed \$24,143 (March 31, 2017: \$24,143) to the former CEO and a director in respect of expenses incurred on behalf of the Company, and \$30,000 (March 31, 2017: \$30,000) in respect of management services during the year ended March 31, 2016.

During the year ended March 31, 2013, the Company completed loan arrangements for gross proceeds of \$80,000, of which \$50,000 was provided by parties related to the Company. In connection with these arrangements, the Company issued 111,000 common shares valued at \$9,990 as bonus shares to these related parties. During the year ended March 31, 2014, \$10,000 of this amount was settled by way of shares, such that there remains \$40,000 provided by parties related to the Company. In February, 2014, the Company completed additional loans for gross proceeds of \$200,000, of which \$30,000 was provided by a party related to the Company. In connection with this arrangement, the Company issued 120,000 common shares valued at \$6,000 as bonus shares to that related party. During the year ended March 31, 2015, the Company completed additional loans for gross proceeds of \$100,000, of which \$25,000 was provided by a party related to the Company. In connection with this arrangement, the Company issued 100,000 common shares valued at \$5,000 as bonus shares to that related party. In July, 2016, the Company completed additional loans for gross proceeds of \$20,000, of which \$10,000 was provided by a party related to the Company. In December, 2016, the Company completed an additional loan for gross proceeds of \$15,000, of which was provided by a party related to the Company. In April, 2017, the Company completed an additional loan for proceeds of \$80,000, of which \$40,000 was provided by a party to the Company. In August, 2017, the Company completed an additional loan for proceeds of \$1,779. During the period ended September 30, 2017, the Company settled \$90,000 of loans from related parties by issuing shares and warrants (Note 9b).

Proposed Transactions

The Company does not have any proposed transactions that have been approved by the board of directors.

Risks Related to the Company's Business

Overview

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in the exploring of its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The Company has a history of incurring losses and deficits, and is subject to a number of risks and uncertainties due to the nature of its business and present stage of explorations, such as, but not limited to, exploration, market, commodity prices, Aboriginal land claims, title, financing, share price volatility, key personnel, competition, foreign countries and regulatory requirements, environmental and regulatory requirements, and uninsurable risks.

The following sets out the principal risks faced by the Company:

Exploration. The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

Market. The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change, both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

Commodity price. The Company's exploration projects are primarily related to exploration for gold and other precious metals in the United States. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

Title. Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The

Company’s mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

Financing. Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company’s ability to finance could have a material adverse outcome on the Company and its securities.

Share Price Volatility and Price Fluctuations. In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

Key personnel. The Company’s exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain “key man” insurance policies on these individuals. Should the availability of these persons’ skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

Competition. Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

Environmental and Other Regulatory Requirements. The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, safety and other matters. Companies engaged in the development and operation of mines and related facilities generally experience increased costs, and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits that may be required to commence construction, development or operation of mining facilities at these properties on terms which enable operations to be conducted at economically justifiable costs. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or extraction operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or abandonment or delays in development of new mineral exploration properties. To the best of the Company’s knowledge, it is currently operating in compliance with all applicable environmental regulations.

History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations. The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties, nor has the Company yet determined that commercial development is warranted on any of its properties. Even if the Company commences development of certain of its properties, the Company may

continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

Uninsurable. The Company and its subsidiaries may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

Critical Accounting Estimates. In the preparation of financial information, management makes judgments, estimates and assumptions that affect, amongst other things, the carrying value of its mineral property assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company's assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value. Management's estimates of exploration, operating, capital and reclamation costs, if any, are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of the net cash flow to be generated from its properties. The Company also uses the Black-Scholes Option Pricing Model in relation to share based payments. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company's stock options granted/vested during the period.

Other MD&A Disclosure Requirements

Information available on SEDAR

As specified by National Instrument 51-102, the Company advises readers of this MD&A that important additional information about the Company is available on the SEDAR website <http://www.sedar.com/>

New Accounting Policies

Standards, Amendments and Interpretations Affecting the Current and Future Year-Ends

Please refer to the condensed consolidated interim statements of financial position on www.sedar.com.

Financial Instruments & Other Instruments

The Company has classified its cash as fair value through profit or loss (using level 1 of the fair value hierarchy); receivables (excluding tax arrangements) as loans and receivables; and accounts payable and accrued liabilities and loans as other financial liabilities.

(a) Fair value

The carrying values of cash, receivables, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

(b) Credit risk

Credit risk is the risk that a counter party to a financial instrument will fail to discharge its contractual obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents, receivables, other than Goods and Services Tax (“GST”). The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts.

The Company manages credit risk with respect to its cash by maintaining demand deposits with a major Canadian financial institution; however, this exposes the Company's cash to concentration of credit risk as all amounts are held at a single institution.

There were no changes in the Company's approach to risk during the period.

Disclosure by venture issuer without significant revenue

An analysis of the material components of the Company’s general and administrative expenses is disclosed in the financial statements to which this MD&A relates. An analysis of the material components of the acquisition and deferred exploration costs of the Company’s exploration and evaluation assets is disclosed in the Notes to the financial statements.

Outstanding Share Data

Common shares, stock options and share purchase warrants issued and outstanding as at the Quarter are described in detail in the Financial Statements, and as at the Report Date, are as follows:

At Report Date	
Common shares	28,610,492
Stock options	325,000
Stock purchase warrants	16,138,080
Fully diluted	42,073,572

Change in Management

Cyrus Driver was appointed CFO and Director effective June 19, 2017 upon the resignation of Allan Williams.