

**Jourdan Resources Inc.**  
(an exploration stage Company)

**Management Discussion and Analysis  
For the Period Ended September 30, 2018**

## **SCOPE OF MANAGEMENT'S FINANCIAL ANALYSIS**

This Management's Discussion and Analysis ("MD&A") has been prepared based on information available to Jourdan Resources Inc. (the "Company") as at November 29, 2018. The MD&A of the operating results and financial condition of the Company for the period ended September 30, 2018 should be read in conjunction with the Interim financial statements and notes thereto for the three and nine months ended and audited financial statements of the Company, including the notes thereto, for the year ended September 30, 2018 and the December 31, 2017 and December 31, 2016 which are prepared in accordance with International Financial Reporting Standards ("IFRS") for audited financial statements, and the annual MD&A for the year ended December 31, 2017. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. Additional information relating to the Company may be found under its profile on ("SEDAR") at [www.sedar.com](http://www.sedar.com).

## **QUALIFIED PERSON**

Mr. Roger Ouellet, P. Geo, consultant to the Company, is a Qualified Person as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects and has reviewed and approved all technical information in this management discussion and analysis.

## **Management's Assessment of Internal Control Over Financial Reporting ("ICFR")**

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109.

## **FORWARD LOOKING STATEMENTS**

This MD&A may contain forward-looking statements that are based on the Company's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of the Company are set out below under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Additional information related to the Company is available for view on the Company's website located at [www.jourdanresources.com](http://www.jourdanresources.com).

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## **NATURE OF OPERATIONS AND GOING CONCERN**

Jourdan Resources Inc. is a public Company listed on the TSX Venture Exchange (TSXV-JOR). The Company is an exploration-stage Company that is in the process of exploring its mineral properties located in Canada and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered head office is located at 5891 Fourth Line, Hillsburgh, Ontario N0B 1Z0.

These interim financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from September 30, 2018. At September 30, 2018, the Company has an accumulated deficit of \$19,257,900 (December 31, 2017 - \$18,467,232) and has a working capital surplus of \$208,256 (December 31, 2017 – working capital deficiency \$637,109). The Company's ability to continue as a going concern is dependent upon its ability to generate sufficient funds and continue to obtain sufficient capital from investors to meet its current and future obligations. The Company is subject to risks and challenges similar to other exploration stage companies. As a result of these risks, a material uncertainty exists that casts significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these Interim financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

The Financial Statements were approved for issuance by the Company's Board of Directors on November 29, 2018.

## **RESULTS OF OPERATIONS**

The Company has no operating revenues and relies on external financings to generate capital. Because of its activities, Jourdan incurs net losses. For the period ended September 30, 2018, Jourdan incurred a loss of \$790,668 compared to a loss of \$1,036,097 for the period ended September 30, 2017. Professional fees and shareholder expenses were significantly lower during the current period as compared to the same period in 2017.

The Company routinely monitors its operations and costs associated with those operations in order to better plan and implement its activities, taking into consideration the current economic climate and industry outlook. For the nine months ended September 30, 2018, Jourdan reported total general and administrative expenses ("G&A") of \$374,200 compared to \$650,661 in 2017. The following schedule details the main components of G&A for the periods ended June 30, 2018 and September 30, 2017:

<b>Period ended September 30</b>	<b>2018</b>	<b>2017</b>
	\$	\$
Rent	14,800	16,650
Professional fees	35,961	300,762
Listing and filing fees	9,300	14,176
Shareholders relations	14,065	102,386
Office and general	408	5,355
Management fees	108,000	108,000
Stock based compensation	191,666	103,332
	<b>374,200</b>	<b>650,661</b>

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	QUARTER ENDED			
	30-Sep-18	30-Jun-18	31-Mar-18	31-Dec-17
Total assets	3,132,352	3,170,976	1,962,540	1,975,527
Mineral properties	1,868,515	1,868,515	1,789,928	1,759,928
Working capital surplus (deficiency)	208,256	554,041	(729,605)	(637,109)
Shareholder's equity	2,076,771	2,422,556	1,060,323	1,122,819
Net loss	392,723	257,951	139,995	1,241,586
Loss per share	0.007	0.006	0.004	0.005

	QUARTER ENDED			
	30-Sep-17	30-Jun-17	31-Mar-17	31-Dec-16
Total assets	2,007,560	1,564,887	1,181,407	1,069,985
Mineral properties	1,784,928	1,189,105	897,928	897,928
Working capital deficiency	(484,120)	(255,411)	(891,300)	(954,876)
Shareholder's equity	1,300,808	933,964	6,202	(56,948)
Net loss (income)	310,384	788,864	(63,150)	222,954
Loss per share	0.009	0.030	0.007	0.030

## FINANCING ACTIVITIES

On June 12, 2018, the Company closed the first tranche of its previously announced non-brokered private placement (the "Offering") by issuing 12,313,332 units (each a "Unit") of the Company at a price of \$0.06 per Unit; and 8,870,000 common shares (each a "Share") of the Company issued on a "CEE flow-through" basis pursuant to the Income Tax Act (Canada) (each a "FT unit") at a price of \$0.075 per FT unit, for aggregate gross proceeds of \$1,404,050 (the "First Tranche").

**On August 1, 2018**, the Company closed the final tranche of a non-brokered private placement by issuing 466,667 flow through units of the Corporation at a price of \$0.075 per Unit for gross proceeds of \$35,000.

Each Non Flow Through Unit consisted of one Share and one Share purchase warrant (a "Warrant") and each Flow Through Unit consisted of one Share and one half Share purchase warrant. Each Warrant will entitle the holder to acquire one Share at an exercise price of \$0.10 per Share until that date that is 24 months from the issuance closing date. The Corporation intends to use the net proceeds of the Offering to fund exploration expenditures on its portfolio of mineral properties and for general working capital.

## MINERAL PROPERTIES

- Rome Lithium Property
- Vallee and Baillarge Properties
- Preissac- Lacorne Lithium Portfolio

## **Lithium Properties:**

### **Rome Lithium Property**

On June 29, 2017, Jourdan announced it entered into a non-arm's length assignment agreement with Fairmont Resources Inc. entitling the Company to acquire a 100% interest in the Rome Lithium property (the "Property"), subject to a 2% production royalty, of which half (1%) can be bought back for \$1,000,000 at any time. In consideration of the acquisition of the interest in the Rome Lithium Property, Jourdan: (i) made a \$50,000 cash payment, (ii) issued 1,500,000 common shares of Jourdan, (iii) granted a 2% net smelter return ("NSR") on the Property, of which half (1%) may be bought back for \$1,000,000 at any time, and (iv) will complete exploration expenditures on the property totaling \$150,000 on or before June 10, 2019 (the "Option").

The property is located approximately 60 km north of Val d'Or Quebec. The property is contiguous to the north and south of NA Lithium's Quebec Lithium Mine with a published measured and indicated resources (at a 0.60% Li<sub>2</sub>O cutoff) of 41,556,000 tonnes at 1.09% Li<sub>2</sub>O, and an inferred resource of (at a 0.60% Li<sub>2</sub>O cutoff) of 17,766,000 million tonnes at 1.10% Li<sub>2</sub>O (RB Energy Press Release of October 11, 2012).

### **Vallée Lithium Project**

As announced by the Company on January 11, 2011, the properties were bought from an arm's length party (the "Vendor") by issuing 175,000 common shares in total of the Company to the Vendor and completing \$450,000 in exploration and development work on the property over a 2-year period (all commitments fulfilled). The Vendor carries a 2% Net Smelter Returns ("NSR") Royalty of which 1% can be purchased by the Company at any time for \$1,000,000. The Vallée Project, which is in the Val-d'Or region of northern Quebec, consists of 17 claims (703.8 hectares or 7.0 km<sup>2</sup>) in Lacorne and Fiedmont Townships.

The Project is located in the heart of the southern portion of the Abitibi Greenstone Belt in Quebec, some 100km northeast of the mining towns of Rouyn-Noranda, 45 km north of Val-d'Or, 50 km northeast of Malartic home to Osisko Mining's Canadian-Malartic Deposit, 30 km southeast of Amos and contiguous and in proximity to RB Energy's Quebec Lithium Property deposit. The Vallée Lithium Project is adjacent to North American Lithium (Formerly RB Energy's as well as formerly Canada Lithium) Quebec Lithium Project. The Vallée Property is approximately 1 km from the 30-year pit outline of the Quebec Lithium Project, and less than 2 km from the 15-year pit outline. As reported on the North American Lithium website.

North American Lithium Inc., is a Canadian industrial minerals mining company located in Abitibi, near Val d'Or, Quebec. This project is under development with commissioning of an open pit lithium carbonate mine and processing plant nearing completion. The mine is expected to produce approximately 23,000 tonnes of battery grade lithium carbonate on an annualized basis. The high quality product produced from the mine will meet the rapidly growing needs of the portable consumer electronics industry, electric and hybrid-electric vehicles, and grid storage solutions.

- Production and cash flow to commence in 2017
- Fully permitted operation located in Val-d'Or, Quebec – world-class mining jurisdiction
- Over \$400 million invested over 9 years providing the short timeline to production
- Commissioning stage using conventional open pit mining/processing technologies

Mineralization located on North American Lithium's adjacent property is not necessarily indicative of mineralization on the Company's Vallee Lithium Project. Of the over 100 pegmatite dikes greater than one metre, 45 of these dikes intersected lithium mineralization of greater than 0.25% Li<sub>2</sub>O over 1 metre (drill hole thickness does not necessarily represent true thickness). Going forward, the company intends to complete a drill program to follow up on the results of the 2011 drill program as well as targeting mineralization along trend on the Vallee Lithium Project from the open pit located on the adjacent property owned by North American Lithium.

### **Baillarge Lithium Project**

The Baillarge Lithium Project consists of 12 claims (511.5 hectares or 5.1 km<sup>2</sup>) in Lacorne Township (covering Ranges II and III, Lots 5 to 11). The claim block hosts the Lac Baillarge East Lithium Showing uncovered in 1955 (MRNFQ Showing 32C/05-0035) located south of Baillarge Lake. Six separate mineralized pegmatites were historically identified, all crosscutting the Batholith and adjacent sediments. The pegmatites contain spodumene, beryl, molybdenite (a silvery molybdenum sulphide), columbite-tantalite (a niobium-tantalum iron-manganese oxide), cleavelandite (a sodium-calcium aluminum silicate) and holmquistite (a lithium magnesium aluminum silicate). Historic drilling intersected up to 2.48% Li<sub>2</sub>O over 2.30 m (as reported in MRNFQ MB 89-29). Romios Gold Resources ([www.romiosgold.com](http://www.romiosgold.com)) drilled the former claims of Lacorne Molybdenum Mine Property in 2011, contiguous to the south-southwest of the Company's Baillarge Lithium Project. The Lacorne Molybdenum Mine was operated intermittently by Molybdia Corporation Limited from 1951 to 1972 as an underground mine. The historical probable reserves calculated in 1974 were 1,310,000 tonnes grading 0.23 % MoS<sub>2</sub> and 0.04 % Bi.

The historical probable reserves are historical and deemed noncompliant to National Instrument ("NI") 43-101 and should not be relied upon. No qualified person has done sufficient work to classify the historical mineral reserves as current mineral resources and/or mineral reserves. The mineralization occurs in a swarm of quartz-pegmatite veins hosted by a large sill or stock of biotite granite. In the upper levels of the mine it is 426 metres wide, narrowing to about 350 metres at the -228 metres underground level (750 feet). Biotite schists bound the sill or stock to the north and south and also host sets of veins carrying molybdenum and bismuth. Drilling completed in 2008 intersected 145.6 m grading 0.070% MoS<sub>2</sub>, 0.0055% Bi, 0.398 g/t Silver and 0.031% Lithium (RQ-08-08) and 168.30 m grading 0.079% MoS<sub>2</sub>, 0.0064% Bi, 0.120 g/t Silver and 0.012% Lithium (RQ-08-15). From the 2011 drill program completed by Romios Gold Resources, one of the more notable zones of mineralization was encountered in hole RQ-10-06 which intersected 100.90 metres (331.04 feet) grading 0.061% MoS<sub>2</sub> (molybdenum sulphide) 0.013% Bi (bismuth), 0.047% Li (lithium) and 0.879 g/t Ag (silver). Within this interval, a higher-grade section of 17.50 metres (57.41 feet) assayed 0.186 % MoS<sub>2</sub>, 0.025 % Bi, 0.051% Li and 1.52 g/t Ag. Hole RQ-10-01 intersected a wider zone of mineralization, 154.72 metres (507.61 feet) which assayed 0.05 % MoS<sub>2</sub>, 0.006% Bi, 0.03 % Li and 0.246 g/t Ag which included a higher-grade section of 21.35 metres (70.05 feet) that assayed 0.15% MoS<sub>2</sub>, 0.015% Bi, 0.031

Li and 0.745 g/t Ag. Mineralization located on Romios Gold's adjacent property is not necessarily indicative of mineralization on the Company's Baillarge Lithium Project.

Going forward, the company intends to complete an initial drill program to follow up on the historic drilling completed on the Baillarge Lithium Project, as well as targeting previously drill untested mineralized pegmatites.

### **Baillarge North Property**

The Company announced on August 24, 2017 that it closed the acquisition of 10320781 Canada Inc. ("10320781"), which owned a 100% legal interest in the Baillargé North property (the "Property"), subject to a 1% net smelter return. Jourdan paid \$50,000 in cash and issued an aggregate of 5,000,000 common shares ("Acquisition Shares") on August 21, 2017 in exchange for all of the outstanding shares of 10320781.

The 935 hectare Baillarge North Property is north of Jourdan's original Baillarge Lithium - Molybdenum Property ("Baillarge") which was acquired in April of 2011. In 2016, 15 grab samples were collected on the Baillarge North Property with molybdenum assays ranging from 1.08 ppm Mo up to 35.8% Mo. This is a new discovery, and is part of a 100m wide quartz vein system that hosts the molybdenum, with individual quartz veins ranging in width from 5cm to more than 1m. The molybdenum identified in the vein ranges from 1mm in size to more than 20 cm massive molybdenum crystal clusters and sheets.

### **Preissac- Lacorne Lithium Portfolio**

On May 9, 2017, the Company announced that it has negotiated an option agreement with Alix Resources Inc. (TSX-V: AIX) ("Alix") to acquire up to a 75% interest in Alix's 145 claim Preissac-Lacorne Lithium Portfolio (the "Alix Option"), and two acquisition agreements with prospectors to acquire 100% interest in two claims in close proximity to the Quebec Lithium Mine (the "GiGi Claims"), and two additional claims (the "JF Claims"), one of which holds the mineral rights below the Quebec Lithium Mine's mill (the "Quebec Lithium Acquisitions" and with the Alix Option, collectively the "Transactions"). The International Lithium Project is located in the Figuery Township (NTS 32D08). Mineralization consists of spodumene-rich sub-horizontal, irregular dykes. Drilling carried out by International Lithium Corp. in the 1950's, delineated a 3.7-m thick, 119 x 104 m area providing an historical resource estimate of 135,000t @ 0.95 wt. % Li<sub>2</sub>O (Source: RP 446; MERQ). The La Corne 2 property is located in the La Motte Township (NTS 32D08). Granitic pegmatites dykes, 0.60 to 1.20 m thick, reveal 15 to 30% spodumene accompanied of beryl. Diamond drilling generated key assays of 1.65 wt. % Li<sub>2</sub>O on 1.0 m and 1.12 wt. % Li<sub>2</sub>O on 1.32 m, respectively (Source: GM 03089; MERQ). The La Corne 3 is also situated in the La Motte Township (NTS 32D8). The mineralization is contained within two granitic pegmatite dykes (182-259 m long x 2-3 m thick), rich in spodumene (Li) with accessory tantalite (Ta) and Beryl (Be). The dykes were investigated by 27 DDH by Ascot Metals in 1955. Dyke #1 yielded Li<sub>2</sub>O assays of 1.45 wt. % Li<sub>2</sub>O (n=15), whereas, Dyke #2 produced 0.57% Li<sub>2</sub>O (n=4). Historical resource estimates were 75,000t @ 1.45 wt. % Li<sub>2</sub>O (Source: RG160; MERQ).

The Preissac-Lacorne Lithium Portfolio is composed of 145 claims covering 6,292 ha situated within the La Motte, La Corne, Preissac, Figuery and Landrienne townships, containing numerous lithium spodumene bearing granitic pegmatite occurrences, showings and prospects of historic significance. Exploration on the properties has been previously undertaken by leading lithium exploration companies such as; American Lithium Corporation, International Lithium Mining Corp., Duval Lithium, QLC (formerly Lithium Exploration Company Limited), and Quebec Lithium.

In 2017, Jourdan completed a drill program 1.5km northwest of the adjacent Quebec Lithium Mine owned and operated by North American Lithium. The adjacent mine announced commercial production of spodumene concentrate on June 2, 2017 with production targeted for the Chinese market.

A total of 1500 metres of drilling was completed in 12 drill holes. Several holes had multiple wide spread mineralized zones up to 140 metres apart within the same drill hole, indicating a wide zone of spodumene bearing pegmatite dykes exists in the area. Drilling covered a strike length of 750 metres of spodumene bearing pegmatite dykes.

Malartic home to Osisko Mining's Canadian-Malartic Deposit, 30 km southeast of Amos and contiguous and in proximity to RB Energy's Quebec Lithium Property deposit. The Preissac- Lacorne Lithium Project is adjacent to North American Lithium (Formerly RB Energy's as well as formerly Canada Lithium) Quebec

Lithium Project. The Preissac- Lacorne Property is approximately 1 km from the 30-year pit outline of the Quebec Lithium Project, and less than 2 km from the 15-year pit outline.

As reported on the North American Lithium website:

"North American Lithium Inc., is a Canadian industrial minerals mining company located in Abitibi, near Val d'Or, Quebec. This project is under development with commissioning of an open pit lithium carbonate mine and processing plant nearing completion. The mine is expected to produce approximately 23,000 tonnes of battery grade lithium carbonate on an annualized basis. The high quality product produced from the mine will meet the rapidly growing needs of the portable consumer electronics industry, electric and hybrid-electric vehicles, and grid storage solutions.

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- Production and cash flow to commence in 2017
  - Fully permitted operation located in Val-d'Or, Quebec – world-class mining jurisdiction
  - Over \$400 million invested over 9 years providing the short timeline to production
  - Commissioning stage using conventional open pit mining/processing technologies”
- Mineralization located on North American Lithium’s adjacent property is not necessarily indicative of mineralization on the Company’s Preissac- Lacorne Lithium Project.

North American Lithium’s Mill straddles the property boundary between the Preissac- Lacorne Lithium Property and North American Lithium’s Quebec Mine Property.

Of the over 100 pegmatite dikes greater than one metre, 45 of these dikes intersected lithium mineralization of greater than 0.25% Li<sub>2</sub>O over 1 metre (drill hole thickness does not necessarily represent true thickness).

Going forward, the company intends to complete a drill program to follow up on the results of the 2011 drill program as well as targeting mineralization along trend on the Vallee Lithium Project from the open pit located on the adjacent property owned by North American Lithium.

## **LIQUIDITY**

As at September 30, 2018, the Company has a working capital surplus of \$208,256 (December 31, 2017 – working capital deficiency of \$637,109). Exploration beyond basic maintenance on any of its mineral properties would require that the Company raise funds by additional equity financing, participation by joint venture partners or by selling property interests in whole or in part. In the past, the Company has been able to rely on its ability to raise funds in public or privately negotiated equity offerings. There is no assurance that such financing will be available when required, or under terms that are favorable to the Company.

## **SHARE CAPITAL**

Issued and outstanding: September 30, 2018 – 58,873,111  
Issued and outstanding: November 29, 2018 (date of this report) – 58,873,111

Warrants outstanding: September 30, 2018 – 16,981,665  
Warrants outstanding: November 29, 2018 – 16,981,665

Options outstanding: September 30, 2018 – 5,170,000  
Options outstanding: November 29, 2018 – 5,170,000

## **FINANCIAL INSTRUMENTS**

All financial instruments are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are initially measured at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. Financial assets are derecognized when the contractual right to the cash flows from the financial assets expire, or when the financial asset and all substantial risks and rewards are transferred.

## **FINANCIAL RISK MANAGEMENT, OBJECTIVES AND POLICIES**

In the normal course of operations, the Company is exposed to various financial risks. The Company does not enter into financial instrument agreements, including derivative financial instruments, for speculative purposes. Please refer to Note 14 of the audited financial statements for the year ended December 31, 2017, for an extended description of the Company’s main financial risks and policies.

## **RISK FACTORS**

### **Exploration and Mining Risks**

The business of exploration for minerals and mining involves a high degree of risk. Few properties that are explored are ultimately developed into producing mines. At present, there are no known bodies of commercial ore on the mineral properties of the Company and the proposed exploration program is an exploratory search for ore. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the conduct of exploration programs. The Company from time to time augments its internal exploration and operating expertise with due advice from consultants and others as required. The economics of developing mineral properties is affected by many factors including the cost of operations, variation of the grade of ore mined and fluctuations in the price of any minerals produced. There are no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore. Programs conducted on the Company's mineral property would be an exploratory search for ore.

#### *Titles to Property*

While the Company has diligently investigated title to the various properties in which it has interest, and to the best of its knowledge, title to those properties are in good standing, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements or transfer, or native or government land claims, and title may be affected by undetected defects.

#### *Permits and Licenses*

The Company's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

#### *Commodity Prices*

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect marketability of any minerals discovered. Commodity prices have historically fluctuated widely and are affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.

#### *Competition*

The mining industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.

#### *Environmental Regulations*

The Company's operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions of spills, release or emission of various substances produced in association with certain mining industry operations, such as seepage from tailing disposal areas, which could result in environmental pollution.

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A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations require submissions to and approval of environmental impact assessments. Environmental legislation is evolving in a manner, which means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. The Company intends to fully comply with all environmental regulations.

*Conflicts of Interest*

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

*Stage of Development*

The Company's properties are in the exploration stage and to date none of them have a proven ore body. The Company does not have a history of earnings or the provision of return on investment, and in future there is no assurance that it will produce revenue, operate profitably or provide a return on investment.

*Industry Conditions*

Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Company, such as government regulations.

*Uninsured Hazards*

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Company may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Company assets or the insolvency of the Company.

*Future Financing*

Completion of future programs may require additional financing, which may dilute the interests of existing shareholders.

*Key Employees*

Management of the Company rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations.

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*Canada Revenue Agency and provincial agencies*

No assurance can be made that Canada Revenue Agency or provincial agencies will agree with the Company's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada) or any provincial equivalent.

**CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern;
- to increase the value of the assets of the business; and
- to provide an adequate return to shareholders.

These objectives will be achieved by identifying the right exploration projects, adding value to these projects and ultimately taking them through to production or sale and cash flow, either with partners or by the Company's own means.

The Company monitors capital on the basis of the carrying amount of equity. Capital for the reporting periods under review is summarized in the interim statements in the statement of changes in equity for the nine months ended September 30, 2018.

The Company is not exposed to any externally imposed capital requirements except when the Company issues flow-through shares for which an amount should be used for exploration work.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may return capital to shareholders, issue new shares, or sell assets to reduce debt.

No changes were made in the objectives, policies and processes for managing capital during the reporting periods.

**EVALUATION OF INTERNAL CONTROL OVER FINANCIAL REPORTING**

Management maintains a system of internal control over financial reporting to provide reasonable assurance that assets are safeguarded from any loss or unauthorized use and that financial information is reliable and available in a timely manner. They have also designed or had designed internal controls over financial reporting to provide reasonable assurance that financial reporting is reliable and that the financial statements are designed to report financial information in accordance with IFRS. There were no important changes in the internal control over financial reporting during the nine month period ended September 30, 2018, that had or could reasonably be expected to materially affect the internal control over financial reporting ("ICFR").

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**TRANSACTIONS WITH RELATED PARTIES**

All transactions with related parties have occurred in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company paid or accrued the following amounts to related parties during the period ended September 30, 2018 and 2017:

Transactions		Outstanding Balances		Description of Relationship to Company	Nature of Transaction
30-Sep-18	30-Sep-17	30-Sep-18	30-Sep-17		
\$	\$	\$	\$		
108,000	87,300	152,486	170,400	Company controlled by an officer – Michael Dehn	Management fees
19,445	10,520	22,791	-	Company controlled by corporate secretary – Maxime Lemieux	Legal Fees
22,500	5,000	2,825	2,825	Company controlled by an officer – John Ryan	Accounting fees
149,945	102,820	178,102	173,225		

**CONTINGENCIES AND COMMITMENTS**

The Company is partially financed through the issuance of flow-through shares and, according to tax rules regarding this type of financing, the Company is engaged in realizing mining exploration work. These tax rules also set deadlines for carrying out the exploration work, which must be performed no later than earlier of the following dates;

- End of the calendar year following the flow-through placements;
- One year after the Company has renounced the tax deductions relating to the exploration work.

However, there is no guarantee that the Company's exploration expenses will qualify as Canadian exploration expenses, even if the Company is committed to taking all the necessary measures in this regard. Refusal of certain expenses by the tax authorities would have a negative tax impact for investors. As at December 31, 2015, the amount of flow-through proceeds to be expended was not met by the Company and this may result in a liability to its shareholders. Per review of the subscription agreements, expenditures were not spent in accordance with the agreement, and hence management has set up a liability of \$333,550 based upon their best estimates of the amount the shareholder could be reassessed by tax agencies due to the fact that Jourdan did not spend the required amount per the flow through share agreement. The Company determined that additional penalties and interest were payable of \$99,795. This balance is still accrued as at September 30, 2018.

**OFF-BALANCE SHEET ARRANGEMENTS**

To the best of management's knowledge, the Company has no off-balance sheet arrangements that have or will have a current or future effect on the results of operations or the financial condition of the Company.

Jourdan Resources Inc.  
Management Discussion and Analysis  
For the period ended September 30, 2018

**EXPLORATION AND EVALUATION ASSETS**

See below for the detailed analysis of exploration and evaluation assets during the period ended September 30, 2018 and December 31, 2017.

EXPLORATION AND EVALUATION ASSETS	Period ended	
	September 30	December 31
	2018	2017
	\$	\$
Balance, beginning of the year	1,759,928	897,928
Add:		
Permits	108,587	862,000
General expenses	-	-
Balance, before credits	1,868,515	1,759,928
Sale of property	-	-
Impairment of exploration and evaluation assets	-	-
Balance, end of period	1,868,515	1,759,928

The Company is an exploration stage company whose operations include the acquisition, exploration and development of mining properties in phosphate and lithium, primarily in Canada.

Moving forward, the Company plans to develop its existing lithium properties.

**OUTLOOK**

In the near term, the Company will focus on additional lithium property consolidation in the La Corne region. It is felt that the consolidation is in the best interest of all shareholders prior to aggressive exploration and metallurgical testing. Historically, metallurgical testing by Process Research Ortech ("Ortech") using samples from the Company's Vallée Lithium Property was successful in producing a 4.88% Li<sub>2</sub>O (2.27% Li) concentrate from Vallée Lithium samples that assayed 0.69% Li. In late 2013, Ortech was successful in improving the flotation flow sheet and was able to produce a concentrate up to 5.08% Li<sub>2</sub>O (2.36% Li) from samples that assayed 0.69% Li.

A detailed compilation of all surface and drill hole occurrences of spodumene, molybdenum and lepidolite is planned. Recent work has demonstrated structural continuity for both spodumene and molybdenum mineralization over distances of 2 to 4 kilometers, and this may continue in some cases where compilation is incomplete. Additional exploration drilling will be prioritized on the Preissac-La Corne, La Corne and Vallée Lithium, and outcrop mapping and sampling on the Baillarge has commenced and Baillarge North Properties testing for molybdenite and lithium is expected to commence later this year.

Longer term objectives sending sample material from surface sample and metallurgical testing from 50 tonne bulk sample for concentrate production to provide testing material with end users for customer approval, 40 tonnes of which are in Mississauga at Ortech, with the remaining 10 tonnes in Amos, Quebec.

Fred Leigh  
Chief Executive Officer  
November 29, 2018