

**Jourdan Resources Inc.**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2018**

Jourdan Resources Inc.  
Management's Discussion and Analysis  
For the year ended December 31, 2018

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**DATED: APRIL 12, 2019**

**GENERAL**

This Management's Discussion and Analysis ("MD&A") of Jourdan Resources Inc. ("Jourdan" or the "Company") provides a review of the financial position and results of operations of the Company for the year ended December 31, 2018 and should be read in conjunction with the audited annual financial statements of the Company, including the notes thereto, for the years ended December 31, 2018 and 2017. These audited annual financial statements have been prepared by management in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and International Financial Reporting Interpretation Committee ("IFRIC") interpretations. This MD&A covers the most recently completed financial period and the subsequent period up to the date of this MD&A. All amounts are expressed in Canadian dollars, unless otherwise indicated.

Additional information relating to the Company has been filed electronically through and may be found under its profile on the System for Document Analysis and Retrieval ("SEDAR") and is available online under its profile at [www.sedar.com](http://www.sedar.com).

The Company's audited annual financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company's ability to continue as a going concern is dependent upon it being able to generate sufficient funds or 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 cast's 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 the audited annual financial statements do not reflect the adjustments to the carrying values of assets and liabilities, 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 reader should be aware that historical results are not necessarily indicative of future performance.

This MD&A and the audited annual financial statements for the years ended December 31, 2018 and 2017 have been reviewed by the audit committee and approved by the Company's Board of Directors prior to release.

**QUALIFIED PERSON**

Mr. Blake Hylands, P. Geo, a director 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.

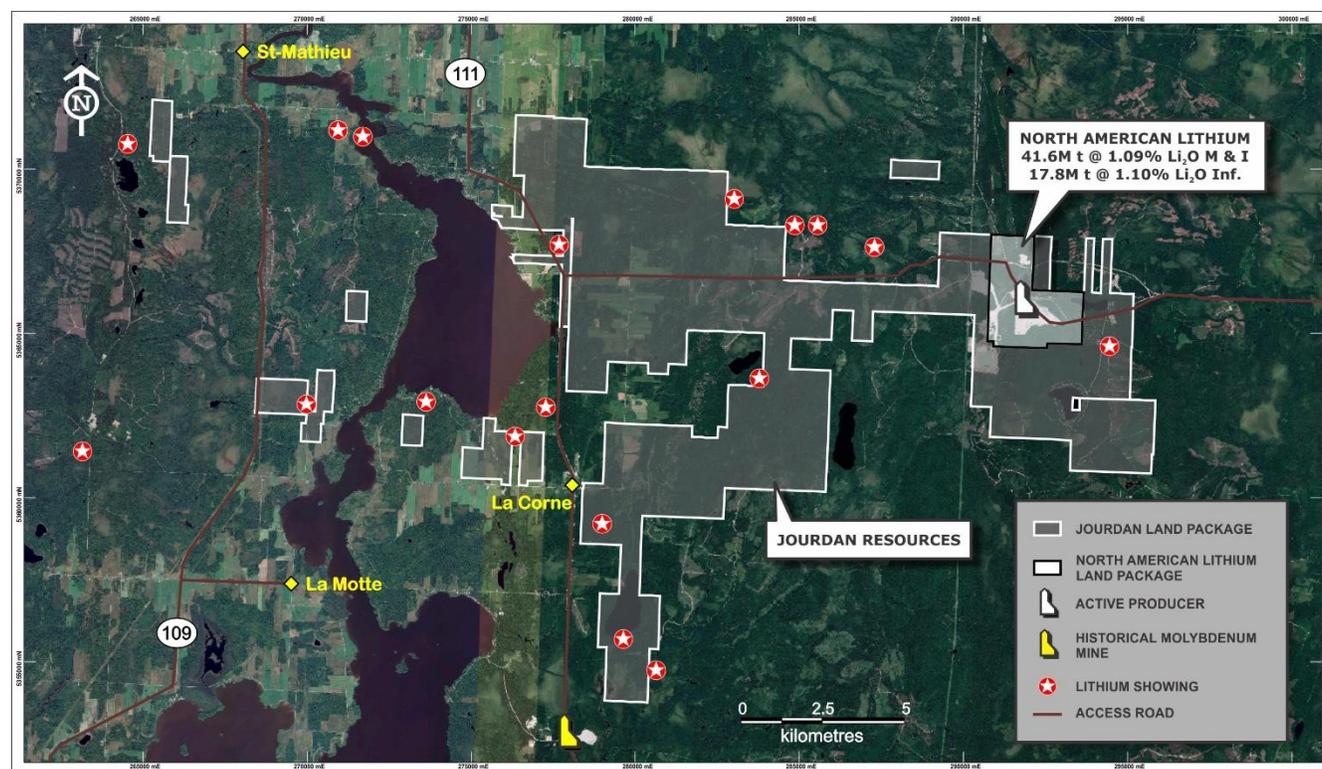
**OVERVIEW**

Jourdan is a publicly traded Canadian exploration company listed on the TSX Venture Exchange ("TSXV") under the symbol **JOR** and on the Stuttgart Stock Exchange under the symbol **2JR1**. As an exploration-stage company that is in the process of exploring its mineral properties located in Canada, Jourdan has not yet determined whether these properties contain reserves that are economically recoverable. The Company is incorporated under the *Canada Business Corporations Act* and its registered head office is located at 65 Queen Street West, Suite 800, Toronto, Ontario M5H 2M5.

The Company is currently focused on the acquisition, exploration and development of, and production from, lithium properties in Quebec, targeting the battery and technical grade Spodumene market. The Company's properties are primarily in spodumene bearing, pegmatite rich La Corne Batholith, around North American Lithium's producing Quebec Lithium Mine.

## **MINERAL PROPERTIES**

Lithium is found in very low concentration in igneous rocks. The largest concentrations of lithium-containing minerals are found in granitic pegmatites. The most important of these minerals are spodumene ( $\text{Li}_2\text{O}$ ,  $\text{Al}_2\text{O}_3$ ,  $4\text{SiO}_2$ ) and petalite ( $\text{Li}_2\text{O}$ ,  $\text{Al}_2\text{O}_3$ ,  $8\text{SiO}_2$ ). Spodumene has a theoretical  $\text{Li}_2\text{O}$  content of 8.03%. Due to its high lithium content, spodumene is considered the most important lithium ore mineral. A typical run-of-mine ore can contain 1-2%  $\text{Li}_2\text{O}$ , while a typical spodumene concentrate suitable for lithium carbonate production contains 6-7%  $\text{Li}_2\text{O}$  (75% - 87% spodumene). Higher grade concentrates with 6 - 7%  $\text{Li}_2\text{O}$  and low iron content are used in batteries, ceramics and more demanding industries.



### **Vallée Lithium Project**

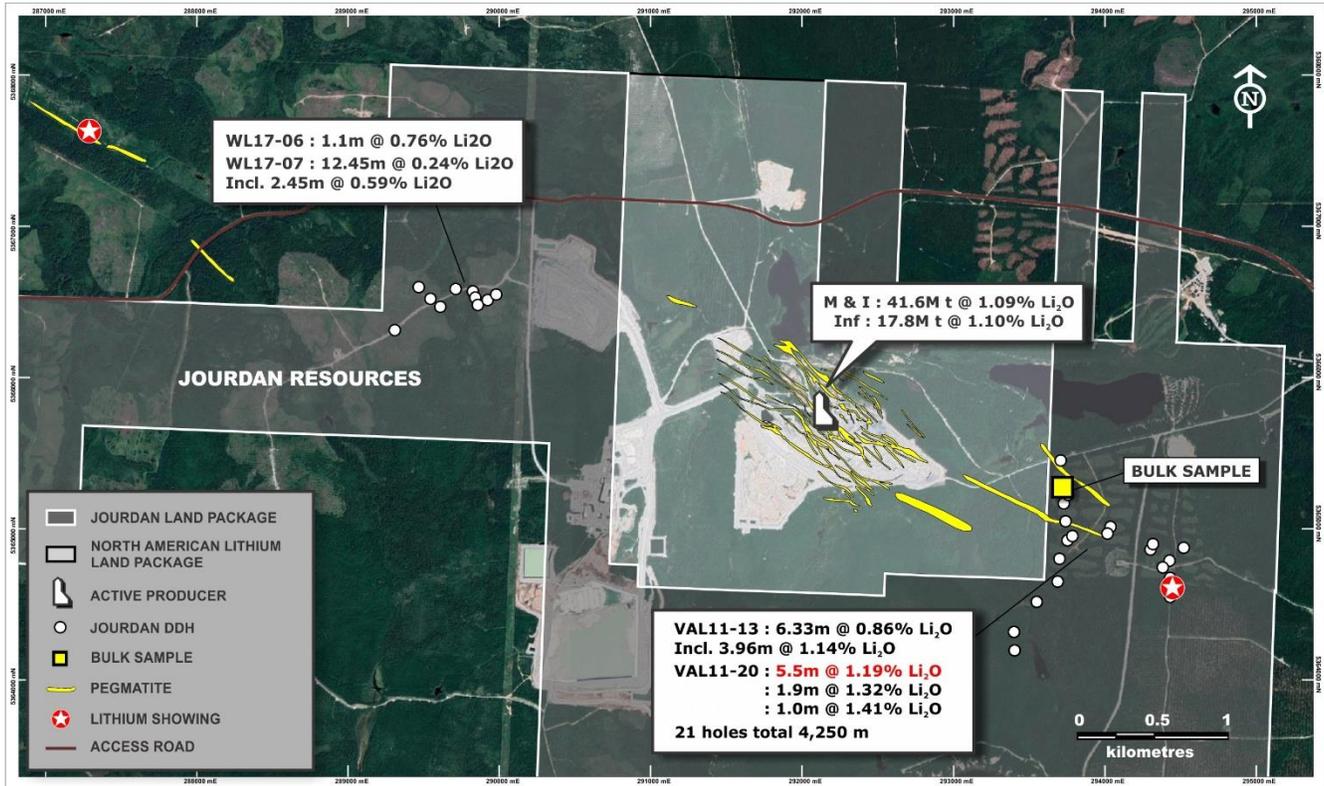
The Company acquired the properties making up the Vallée Lithium Project from an arm's length party in 2011 by:

- (i) issuing 175,000 common shares in the Company,
- (ii) completing \$450,000 in exploration and development work on the property over a 2-year period, and
- (iii) granting a 2% NSR on the property, of which half (1%) may be purchased by the Company at any time for \$1,000,000.

The Vallée Lithium Project, which is in the Val-d'Or region of northern Quebec, consists of 17 claims (703.8 hectares or 7.0 square kilometres) in La Corne and Fiedmont Townships. The Project is located in the heart of the southern portion of the Abitibi Greenstone Belt in Quebec, some 100 kilometres northeast of the mining towns of Rouyn-Noranda, 45 kilometres north of Val-d'Or, 50 kilometres northeast of Malartic (home to Osisko Mining's Canadian-Malartic Deposit), 30 kilometres southeast of Amos and contiguous and in proximity to RB Energy's Quebec Lithium Property and adjacent to North American Lithium's Quebec Lithium Mine, which is in the commissioning phase of an open-pit mine and on-site processing plant with estimated capacity to produce approximately 20,000 tonnes of battery-grade lithium carbonate annually, an essential component in the manufacture of electronic equipment or electric batteries. The mineralized Spodumene Pegmatite dykes that North American Lithium are mining continue directly onto the claims of Jourdan.

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In July 2018, the Company announced that it had extracted 50 tonnes of spodumene rich material from its 100% owned Vallee Lithium Project. This material was crushed to minus ¾ inch and shipped to Process Research Ortech ("PRO") in Mississauga, Ontario where it will be upgraded by flotation to make a concentrate. Magnor Exploration Inc. managed all aspects of the sample collection and preparation. Previous work by PRO on drill core samples from the Vallee Lithium Project returned a concentrate of more than 5% Li<sub>2</sub>O.



**Preissac La Corne Lithium Portfolio**

On May 9, 2017, the Company entered into an option agreement with Alix Resources Inc. ("Alix") to acquire up to a 75% interest in Alix's Preissac La Corne Lithium portfolio (the "Alix Option") by issuing 600,000 common shares and by making payments of \$50,000. To complete the option, the Company is required to issue an additional 600,000 common shares of the company and make an additional payment of \$75,000, prior to April 17, 2019. The property under option is subject to a 1% NSR.

The Company also two acquisition agreements with prospectors to acquire 100% interests 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, subject to a 2% NSR.

The Preissac La Corne Lithium Portfolio is composed of 145 claims covering 6,292 hectares 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.

In 2017, Jourdan completed a 1,500 metre drill program on the Preissac La Corne Lithium Portfolio and one other claim that is owned by Jourdan. The centre of the drill program is 1.5 kilometres northwest of the adjacent Quebec Lithium Mine, owned and operated by North American Lithium. A total of 1,500 metres of drilling was completed in 12 drill holes, 11 holes on the Preissac La Corne Lithium Portfolio and one hole on a claim owned 100% by Jourdan. 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.

### **Rome Lithium Property**

On June 29, 2017, Jourdan 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. In consideration, Jourdan:

- (i) made a \$50,000 cash payment, in addition to a payment of \$25,000 paid pursuant to a right of first refusal,
- (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 by the Company for \$1,000,000 at any time.

The property is located approximately 60 kilometres north of Val d'Or Quebec. The property is contiguous to the north and south of North American Lithium's Quebec Lithium Mine.

### **Baillarge Lithium Project**

The Baillarge Lithium Project consists of 12 claims (511.5 hectares or 5.1 square kilometres) in La Corne 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).

### **Baillarge North Property**

On August 24, 2017, the Company acquired the Baillargé North property, subject to a 1% net smelter return. Jourdan paid \$50,000 in cash and issued 5,000,000 common shares on August 21, 2017.

The 935 hectare Baillarge North Property is to the north of Jourdan's original Baillarge Lithium - Molybdenum Property. 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 100 metre wide quartz vein system that hosts the molybdenum, with individual quartz veins ranging in width from 5 cm to more than 1 metre. The molybdenum identified in the vein ranges from 1 mm in size to more than 20 cm massive molybdenum crystal clusters and sheets.

### **Outlook**

The Company's near term goals include:

- Developing several 2 million tonne resources at 1% Li<sub>2</sub>O
- Acquiring or contracting a permitted mill suitable for spodumene flotation
- Consolidating additional high priority properties
- Demonstrating metallurgical suitability to produce Li<sub>2</sub>O concentrate from multiple deposits
- Seeking financial and offtake partner(s)

Certain claims were allowed to lapse in 2018. The Company arranged for the re-staking of claims of interest to the Company and is arranging the transfer of such re-staked claims to the Company.

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**EXPLORATION AND EVALUATION ASSETS**

Movements in exploration and evaluation assets during the years ended December 31, 2018 and 2017 were as follows:

	Year ended	
	December 31	December 31
	2018	2017**
Balance, beginning of the year	900,815	38,815
Add: Property acquisition costs	98,663	862,000
Claim renewal	11,087	-
Balance, end of the year	1,010,565	900,815

\*\* During the year ended December 31, 2018, the Company restated prior year financial information. See Note 17 of the financial statements for the years ending December 31, 2018 and 2017 for further details.

The Company is an exploration stage company whose operations include the acquisition, exploration and development of lithium properties, primarily in Canada. Moving forward, the Company plans to develop its existing lithium properties.

**RESULTS OF OPERATIONS**

The Company has no operating revenues and relies on external financing for working capital. Because of its exploration activities, Jourdan incurs net losses. In the year ended December 31, 2018, Jourdan incurred a loss of \$910,273 (\$0.02 per share), compared to a loss of \$1,241,586 (\$0.05 per share) in the year ended December 31, 2017. The Company routinely monitors its operations and the costs associated with those operations in order to better plan and implement its activities, taking into consideration the current economic climate and industry outlook. The net loss for the years ended December 31, 2018 and 2017, included the following expenses of an administrative nature:

	3 months ended December 31 2018	3 months ended December 31 2017	Year ended December 31 2018	Year ended December 31 2017
Bank charges and interest	230	4,696	638	5,392
Professional fees	(73,982)	164,640	(38,021)	465,402
Shareholder communication & filing	11,094	(86,687)	34,459	29,875
Office and general	2,622	8,091	17,422	29,400
Consulting and management fees	91,547	36,000	199,547	144,000
Share-based compensation	141,910	77,499	333,576	180,831
Other gains	-	(61,897)	-	(61,897)
Decrease in fair value of securities	750	1,250	2,500	63,000
	<b>174,171</b>	<b>143,592</b>	<b>550,121</b>	<b>856,003</b>

The primary operational activities for the Company during the year ended December 31, 2018 consisted of maintaining its mineral properties, investigating new opportunities and general corporate activities. During the year ended December 31, 2018, the Company incurred expenditures totaling \$464,719 (2017: \$385,583) on its mineral properties (see below).

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Professional fees were significantly lower during the current year, as compared to the same period in 2017, and include the reversal of over-accruals provided for in previous periods.

Share-based payments of \$333,576 were recorded in the Statements of Loss and Comprehensive Loss during the twelve months ended December 31, 2018 (2017: \$180,831). Share-based compensation relates to the vesting and issuance of stock options. During the year ended December 31, 2018, 3,150,000 options were granted, compared to 2,500,000 in the prior year, including 700,000 options granted during the three months ended December 31, 2018 (2017: nil). Share-based payments based on the vesting and issuance of the stock options were \$141,910 (2017: \$77,499) during the three months ended December 31, 2018.

Field exploration, supervisory costs and costs associated with maintaining its mineral properties are expensed and charged against earnings until the Company has a reasonable expectation that the property is capable of commercial production, supported by a positive economic analysis showing a NI 43-101 compliant Mineral Reserve and approved by the Board. Exploration and evaluation expenses for the years ended December 31, 2018 were incurred as follows:

	<b>Year ended December 31 2018</b>
Baillage property	121,341
Pressiac-La Corne property	272,624
Vallee property	70,754
	<hr/> 464,719 <hr/>

## **CASH FLOWS**

### ***Operating Activities***

Operating activities in the year ended December 31, 2018 used \$985,309, compared to \$1,352,590 in the year ended December 31, 2017, primarily due to the decrease in professional expenses incurred. In 2018, changes in non-cash working capital used \$306,545, compared to \$354,835 in 2017.

### ***Investing Activities***

Cash invested in exploration and evaluation properties in 2018 totaled \$12,250 and comprised claim renewal expenses and costs associated with the acquisition of the Rome Lithium property. In 2017, \$200,000 was expended on property acquisitions, including Rome, and Pressiac-La Corne.

### ***Financing Activities***

On June 12, 2018, the Company closed the first tranche of its non-brokered private placement by issuing 12,313,332 non flow-through units at a price of \$0.06 per non flow-through unit, and 8,870,000 flow-through units issued on a flow-through basis pursuant to the Income Tax Act (Canada) at a price of \$0.075 per flow-through unit, for aggregate gross proceeds of \$1,404,050. Each non flow-through unit consisted of one common share and one common share purchase warrant. Each flow-through unit consisted of one common share and one half of one common share purchase warrant. The warrants have an exercise price of \$0.10 per common share on that date that is 24 months from the issuance closing date.

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On August 2, 2018, Jourdan announced that it had closed a second and final tranche of its non-brokered private placement by issuing 466,667 flow-through units of the Company at a price of \$0.075 per flow-through unit for gross proceeds of \$35,000. Each unit consists of one common share issued on a flow-through basis pursuant to the Income Tax Act (Canada), and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one common share at an exercise price of \$0.10 per share for a period of 24 months from the issuance closing date.

**SELECTED ANNUAL RESULTS**

The following table shows the financial results from the Company's for the three most recently completed fiscal years:

	December 31, 2018	December 31, 2017**	December 31, 2016**
	\$	\$	\$
Net loss attributable to shareholders of the Company	910,273	1,241,586	224,625
Basic and diluted loss per share	0.019	0.049	0.029
Total assets	1,817,930	1,116,414	210,872
Total non-current financial liabilities	-	-	-

\*\* During the year ended December 31, 2018, the Company restated prior year financial information. See Note 17 of the financial statements for the years ending December 31, 2018 and 2017 for further details.

The Company is an exploration stage company, whose results have been driven primarily by the acquisition and exploration of lithium properties in Quebec. The primary operational activities consisted of maintaining its mineral properties, investigating new opportunities and general corporate overheads.

**SUMMARY OF QUARTERLY RESULTS**

The following table shows the financial results from the Company's eight most recently completed quarters:

QUARTER ENDED	31-Dec-18	30-Sep-18	30-Jun-18	31-Mar-18
Total assets**	1,817,930	2,273,239	2,311,863	1,103,427
Mineral properties**	1,010,565	1,009,402	1,009,402	930,815
Working capital surplus (deficiency)	(27,527)	208,256	554,041	(729,605)
Shareholder's equity**	983,038	1,217,658	1,563,442	201,230
Net and comprehensive (income) loss	119,605	392,723	257,950	139,995
(Income) loss per share, basic and diluted	0.002	0.008	0.006	0.004
Cash flow used in operating activities	(501,282)	(111,740)	(351,662)	(20,625)
Cash flow used in investing activities	(1,163)	-	(11,087)	-
Cash flow from financing activities	(13,575)	19,436	1,466,018	(30,000)

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**QUARTER ENDED**

	<b>31-Dec-17</b>	<b>30-Sep-17</b>	<b>30-Jun-17</b>	<b>31-Mar-17</b>
Total assets**	1,116,414	1,148,447	705,774	322,294
Mineral properties**	900,815	925,815	329,992	38,815
Working capital deficiency	(637,109)	(484,120)	(255,411)	(891,726)
Shareholder's equity**	263,706	441,695	74,851	(852,911)
Net and comprehensive loss (income)	205,489	310,384	788,864	(63,150)
Loss (income) per share, basic and diluted	0.011	0.009	0.030	(0.007)
Cash flow used in operating activities	(285,658)	(365,591)	(870,930)	(15,242)
Cash flow used in investing activities	(1,017,000)	446,177	(291,177)	-
Cash flow from financing activities	1,282,357	(227,945)	1,366,941	-

\*\* During the year ended December 31, 2018, the Company restated prior year financial information. See Note 17 of the financial statements for the years ending December 31, 2018 and 2017 for further details.

**LIQUIDITY AND CAPITAL RESOURCES**

The Company spends its available funds on its corporate, general and administrative obligations and to maintain its mineral projects with the objective of carrying out exploration activities to establish ore of commercial tonnage and grade. As the Company is in the exploration stage and generates no revenues, the necessary funds have to be raised through equity or debt financing, most commonly within the Canadian public markets. Factors such as equity market conditions and the results of exploration activities will affect future capital raising, which may substantially impact on future activities. There are no assurances that the Company will continue to be successful in raising additional funds or that other forms of equity capital or debt financing will be available to the Company in the future or on satisfactory terms. Any additional equity financing may be on terms that are dilutive, or potentially dilutive, to the Company's shareholders and debt financing, if available, may involve restrictive covenants with respect to the Company's ability to pay dividends, raise additional capital or execute various other financial and operational plans.

If, at any time, the Company's Board of Directors deems continued exploration at its properties to be unwarranted, based on the results of work done up to that time or for any other reason, the Company may suspend or discontinue exploration of such properties and apply the funds on hand towards the acquisition, exploration or development of new properties or, if required, the general working capital of the Company. The Company does not have any commitments for material capital expenditure in the near or long term other than to spend a further \$399,355 of flow-through funding raised on qualifying exploration activities at its properties in 2019. As at December 31, 2018, the Company had no long-term debt and no definitive agreements with respect to long-term borrowings had been entered into by the Company. No other capital requirements are imposed by a lending institution or regulatory body, other than of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months.

The Company's objective is to maintain a strong capital base in order to:

- maintain financial flexibility;
- maximize the funds invested into exploration and development activities;
- maintain creditor and investor confidence; and
- sustain the future development of the business.

The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. The most significant alternatives available for the management of the capital structure include the issue of shares or raising of debt finance when management and the board of directors feel the timing is appropriate.

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**WORKING CAPITAL**

As at December 31, 2018, the Company had a working capital deficiency of \$(27,527) compared with a working capital deficiency of \$(637,109) as at December 31, 2017, including cash of \$537,548 (2017: \$93,228). The Company's primary capital needs are funds for the exploration of its mineral properties, administrative expenses and working capital. 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. The Company will maintain its excess working capital in Canadian dollars, at a large reputable Canadian commercial bank, in high quality short-term deposits or cash.

	2018				2017			
	4 <sup>th</sup> Qtr.	3 <sup>rd</sup> Qtr.	2 <sup>nd</sup> Qtr.	1 <sup>st</sup> Qtr.	4 <sup>th</sup> Qtr.	3 <sup>rd</sup> Qtr.	2 <sup>nd</sup> Qtr.	1 <sup>st</sup> Qtr.
Cash	537,548	1,053,568	1,145,872	42,603	93,228	109,530	256,889	52,054
Receivables	267,817	207,519	153,089	125,009	117,871	107,352	106,643	43,925
Marketable Securities	2,000	2,750	3,500	5,000	4,500	5,750	12,250	187,500
Current Liabilities	262,764	622,236	315,076	468,872	419,363	278,026	202,467	757,867
Flow-through premium	138,783	-	-	-	-	-	-	-
Flow-through Liabilities	433,345	433,345	433,345	433,345	433,345	428,726	428,726	417,338
<b>Working Capital</b>	<b>(27,527)</b>	208,256	554,040	(729,605)	(637,109)	(484,120)	(255,411)	(891,726)

**OPERATING SEGMENTS**

The Company has concluded that it has only one material operating segment (the exploration of its Canadian mineral licenses) for financial reporting purposes.

**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.

**ADDITIONAL DISCLOSURES**

On February 26, 2018, Jourdan announced the appointment of Mr. Rene Bharti as director and the new Chairman of the Company. Mr. Bharti has over 20 years of business experience and has held several key roles in both public and private companies, including those in the resource, technology and entertainment industries. Mr. Bharti was the former Vice President of Business Development for Avion Resources, a gold company in Mali that was successfully sold to Endeavour Resources. Mr. Bharti also co-founded ARHT Media Inc., with legendary singer Paul Anka, to bring the creation of digital celebrities and the world's best holograms to the live stage. Mr. Rene Bharti holds a B.Comm (Honours) from Queen's University. He also serves as a director of other public and private companies.

On December 14, 2018, Jourdan announced the appointment of Dr. Andreas Rompel as President and Chief Executive Officer of the Company. Dr. Rompel is a seasoned exploration professional with three decades of exploration and mining experience in a wide range of roles from Vice President Exploration and Project Manager to Country Manager and Corporate Development. Most recently, Dr. Rompel was the President & CEO of Cobalt Power Group. Dr. Rompel has worked in a variety of commodities, including precious metals and base metals as well as energy metals – cobalt. For more than a decade Dr. Rompel evaluated capital projects within Anglo American and was on the board of Spectrem (an Anglo-American Company) as Technical Director. He has worked in many countries on several continents and has well developed multi-linguistic skills.

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On December 14, 2018, the Company also announced the resignation of Mr. John Ryan and the appointment of Stephen Woodhead as Chief Financial Officer. Mr. Woodhead is a graduate of the University of Cape Town and a member of the South African Institute of Chartered Accountants. Mr. Woodhead has over 25 years of experience having worked for the South African Department of Finance and Trans Hex Group, a South African diamond producer, before relocating to Canada in 1997 as Chief Financial Officer of Trans Hex International. From 2003 until it was acquired by Yamana Gold in 2006, Mr. Woodhead was the Chief Financial Officer of Desert Sun Mining, developer of the Jacobina gold mine in Brazil, and in 2011 and 2012 was Chief Financial officer of Crocodile Gold Corp. Mr. Woodhead is the Chief Financial Officer of Trigon Metals Inc. and Q-Gold Resources Ltd.

On January 11, 2019, Jourdan announced the appointment of Mr. Aaron Atin as the Corporate Secretary of the Company. Mr. Atin is a corporate lawyer who works as a legal consultant to various TSX, TSX Venture and CSE-listed companies in the mining and technology industries. He was previously an associate at a large Toronto corporate law firm, where he worked on a variety of corporate, securities and commercial transactions. Mr. Atin studied at the University of Toronto, Faculty of Law, and the University of Waterloo, where he obtained a Juris Doctor and a Bachelor of Arts degree, respectively.

### **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.

The Company's financial instruments are comprised of cash, accounts receivable, marketable securities and accounts payable and accrued liabilities. The carrying value of these financial instruments approximates their fair value due to the short-term nature of these instruments. The Company has no financial instruments recorded at fair value. Financial instruments to be measured at fair value on the consolidated statements of financial position 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;
- Level 3 Inputs that are not based on observable market data.

The Company's cash and marketable securities are considered Level 1.

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Financial assets and financial liabilities as at December 31, 2018 and 2017 were as follows:

December 31, 2018	Fair value through profit and loss \$	Amortized cost \$	TOTAL \$
<b>Financial assets:</b>			
Cash	-	537,548	537,548
Amounts receivable	-	58,140	58,140
Marketable securities	2,000	-	2,000
<b>Financial liabilities:</b>			
Accounts payable and accrued liabilities	-	262,764	262,764
<hr/>			
December 31, 2017	Fair value through profit and loss \$	Amortized cost \$	TOTAL \$
<b>Financial assets:</b>			
Cash	-	93,228	93,228
Amounts receivable	-	7,536	7,536
Marketable securities	4,500	-	4,500
<b>Financial liabilities:</b>			
Accounts payable and accrued liabilities	-	419,363	419,363

## **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. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees policies for managing each of these risks.

### ***Liquidity Risk***

Liquidity risk is the risk that Jourdan will encounter difficulty in meeting its financial commitments and working capital obligations as they come due. The Company's ability to continue as a going concern is dependent on the board of directors' and management's ability to raise the required capital through future equity or debt issuances. As Jourdan is in the exploration stage, it has no production upon which it could rely to fund its operations or the exploration of its properties. Financial liabilities consist of accounts payable which are current and will be settled within one year.

As at December 31, 2018, the Company had a cash balance of \$537,548 (2017: \$93,228) and amounts receivable, other than sales taxes receivable, of \$58,140 (2017: \$7,536), available to fund financial liabilities that consisted of accounts payable and accrued liabilities of \$262,764 (2017: \$419,363), based on contractual undiscounted payments. During the year ended December 31, 2018, the Company raised \$1,441,879 (net) through private placement financings and warrant exercises (2017: \$1,578,522).

### ***Credit Risk***

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to pay amounts owing or perform its contractual obligations causing a financial loss. Not having a producing asset generating sales and accounts receivable, Jourdan's credit risk is considered limited as there is no exposure to a single customer or counterparty. With respect to credit risk arising from financial assets of the Company, which comprise cash and minimal receivables, the Company's exposure to credit risk arises from default of counterparties with a maximum exposure equal to the carrying amount of these instruments. Cash balances are held with high credit quality financial institutions and may be redeemed on demand. The Company has no trade accounts and has nominal other receivables and as such has limited exposure to credit risk. The Company continuously monitors defaults of counterparties as applicable. No impairment loss has been recognized in the periods presented.

### ***Market Risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as commodity prices, foreign currency exchange rates, interest rates and liquidity. The objective of market risk management is to manage and control market risk exposures within acceptable limits while maximizing returns. The Company recognizes that external factors, which it cannot control such as financial market instability and commodity prices, can adversely affect its ability to raise the necessary capital to maintain ongoing operations. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

#### ***Commodity Price Risk***

The ability of the Company to explore, evaluate and develop its exploration properties and the future profitability of the Company are directly related to the price of lithium and other commodities. Commodity prices fluctuate and are affected by factors outside of the Company's control. Current and expected future prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements. The Company monitors commodity prices to determine the appropriate course of action to be taken.

#### ***Currency Risk***

Foreign currency risk is created by fluctuations in the fair value or cash flows of financial instruments due to changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States dollars. The Company has no hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

#### ***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 risk that Jourdan will realize a loss as a result of a decline in the fair value of cash is limited because of their short-term investment nature. A variable rate of interest is earned on cash; changes in market interest rates at the year-end would not have a material impact on the Company's financial statements. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

**ACCOUNTING STANDARDS AND INTERPRETATIONS**

***Current accounting changes:***

During fiscal 2018, the Company has adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards, including IAS 2 and 9 and IFRIC 22. The new standards and changes did not have any material impact on the Company's audited annual financial statements.

*IFRS 9, Financial Instruments* replaces International Accounting Standard ("IAS") 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 introduces new requirements for the classification, measurement and impairment of financial assets and hedge accounting. It establishes two primary measurement categories for financial assets: (i) amortized cost and (ii) fair value either through profit or loss ("FVPL") or through other comprehensive income ("FVOCI"); establishes criteria for the classification of financial assets within each measurement category based on business model and cash flow characteristics; and eliminates the existing held for trading, held to maturity, available for sale, loans and receivable and other financial liabilities categories. IFRS 9 also introduces a new expected credit loss model for the purpose of assessing the impairment of financial assets.

The following table shows the previous classification under IAS 39 and the new classification under IFRS 9 for the Company's financial instruments:

	Financial instrument classification	
	Under IAS 39	Under IFRS 9
<b>Financial assets</b>		
Cash	Loans and receivables	Amortized cost
Amounts receivable	Loans and receivables	Amortized cost
Marketable securities	Available for sale	FVOCI
<b>Financial liabilities</b>		
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The Company adopted IFRS 9 retrospectively without restating comparatives and therefore the comparative information in respect of financial instruments for the year ended December 31, 2017 was accounted for in accordance with the Company's previous accounting policy under IAS 39. Significant accounting policies which outline the current and previous accounting policies pertaining to financial instruments.

***Future accounting changes:***

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for annual accounting periods beginning on January 1, 2019 or later. Updates that are not applicable or are not consequential to the Company have been excluded.

IFRS 16 – Leases ("IFRS 16") was issued by the IASB on January 13, 2016 and will replace existing lease guidance in IFRS and related interpretations, and requires companies to bring most leases on-balance sheet. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRS 16 to have a significant impact on its financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. The Company does not expect the adoption of IFRIC 23 to have a significant impact on its financial statements.

### **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 maximize the funds invested into exploration and development activities;
- 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's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The Company manages capital in proportion to risk and manages the exploration and evaluation assets and capital structure based on economic conditions and prevailing commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments. 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.

No changes were made in the objectives, policies and processes for managing capital during the reporting periods. 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. The main risks that could adversely affect the Company's financial assets, liabilities or future cash flows are liquidity risk, credit risk and market risk. The Company has minimal interest rate risk as there are no outstanding variable-rate borrowings, and the Company finances its operations primarily through share offerings. Management mandates and agrees policies for managing each of these risks.

### **TRANSACTIONS WITH RELATED PARTIES**

The Company paid or accrued the following amounts to related parties during the years ended December 31, 2018 and 2017:

	<b>Year ended December 31,</b>	
	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Consulting fees	<b>196,000</b>	144,000
Share-based compensation	<b>252,103</b>	133,816
	<b>448,103</b>	277,816

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including directors (executive and non-executive) of the Company.

Included in accounts payable and accrued liabilities as at December 31, 2018 is approximately \$177,530 (2017: \$213,152) due to officers and directors of the Company. The amounts are unsecured, non-interest bearing and due on demand.

On June 12, 2018, the Company closed the first tranche of its non-brokered private placement, Michael Dehn, an officer and director of the Company, acquired 1,000,000 units through Avanti Management & Consulting Limited ("Avanti"), a corporation in which he is the controlling shareholder.

On August 1, 2018, Jourdan closed a second tranche of its non-brokered private placement. Maxime Lemieux, a director of the Company, acquired 66,667 units.

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On June 12, 2018, the Company granted 1,950,000 stock options to directors and officers of the Company pursuant to the Company's stock option plan. The options have a term of 5 years, expiring on June 12, 2023.

On December 14, 2018, the Company granted 360,000 stock options to certain officers of the Company pursuant to the Company's stock option plan.

## **CONTINGENCIES AND COMMITMENTS**

### **FLOW THROUGH FINANCING**

The Company has 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 the earlier of the following dates:

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

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 and the Company.

As at December 31, 2015, the amount of required flow-through proceeds from prior years to be expended was not met by the Company. This may result in a liability to its shareholders. Management has recorded a provision for estimated penalties and potential indemnities for the amount the shareholders could be reassessed by tax agencies due to the fact that Jourdan did not spend the required amount per the flow through share agreement. During the year ended December 31, 2018, the Company recorded a flow-through liability totaling \$243,350. As at December 31, 2018, the liability was reduced to \$138,783.

### **MANAGEMENT CONTRACTS**

The Company is party to certain management contracts and severance obligations. These contracts contain clauses requiring additional payments of up to \$225,000 to be made to the management of the Company upon the occurrence of certain events such as a change of control. As the triggering event has not taken place, the contingent payments have not been reflected in these audited annual financial statements. Minimum management contractual commitments remaining under the agreements are approximately \$523,000, all due within one year.

### **PROPERTY OBLIGATIONS**

The unpatented mining claims held by Jourdan in Quebec require an annual application of assessment work credits. The Company has "banked" assessment work credits totaling \$627,573, which can be allocated to its mining claims as necessary.

### **ENVIRONMENTAL**

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and are generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## **RISKS AND UNCERTAINTIES**

Investing in the Company involves risks that should be carefully considered. The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mineral properties. These risk factors could materially affect the Company's future operating results and could cause actual results to differ materially from those described in forward-looking information.

### ***Liquidity Concerns and Financing Risks***

The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available for further exploration of its projects or to fulfill its obligations under any applicable agreements. There can be no assurance that adequate financing will be obtained in the future or that the terms of such financing, if secured, will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration of its projects with the possible loss of such properties. While the Company's financial statements have been prepared on the basis of a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business, failure to secure additional funding may cast doubt about the validity of that assumption.

### ***Exploration and Mining Risks***

The business of exploring 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. Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to the exploration and development of, and production from, mineral resources, any of which could result in work stoppages; damage to or destruction of property or production facilities; personal injury; environmental damage; monetary losses and legal liability. Unusual or unexpected formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides, inclement or hazardous weather conditions, 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 presently no underground or surface plants or equipment on the Company's mineral properties, or any known body of commercial ore.

### ***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.

### ***Mineral Resource and Mineral Reserve Estimates***

There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the control of the Company. Such estimates are a subjective process and the accuracy of any Mineral Resource or Mineral Reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as commodity prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

### ***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 future exploration, development and mining operations at its projects.

***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 and the 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.

A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require submissions 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. Any failure to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations, and there is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company intends to fully comply with all environmental regulations.

***Markets for Securities***

There can be no assurance that an active trading market in the Company's securities will be established and sustained. The market prices for securities of many companies, particularly exploration stage companies, are subject to wide fluctuations that are not necessarily reflective of their operating performance, underlying asset values or the prospects of such companies. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market price of the securities of the Company. There can be no assurance that significant fluctuations in the Company's share price will not occur.

***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.

***Uninsured Hazards***

Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Company maintains insurance to cover normal business risks, however, may become subject to liability for pollution or other hazards against which it cannot be insured 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.

***Reliance on Key Individuals and Outside Parties***

The Company's success depends upon the personal efforts and commitment of key members of its management. It is expected that the contribution of these individuals will be a significant factor in the Company's growth and success. The loss of the services of these members of management and certain key employees could have a material adverse effect on the Company. The Company will also rely upon consultants, engineers and others for exploration, development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, and to develop metallurgical processes to extract the commodity from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

### **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. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees, or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mineral companies for these resources would have a material adverse effect on the Company's results of operation and business.

### **Conflicts of Interest**

Certain directors and officers 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.

### **Litigation**

Legal proceedings, with and without merit, may arise from time to time in the course of the Company's business. Defense and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. The process of defending such claims could take away from management time and effort. Due to the inherent uncertainty of the litigation process, the resolution of any legal proceeding to which the Company may become subject, could have a material effect on the Company's financial position, results of operations, or exploration and project development activities.

### **Corruption and Bribery Laws**

The Company's operations are governed by, and involve interactions with, many levels of government. The Company is required to comply with anti-corruption and anti-bribery laws, including the *Criminal Code* (Canada), and the *Canadian Corruption of Foreign Public Officials Act*, as well as similar laws in the countries in which the Company may conduct business. In recent years, there has been a general increase in both the frequency of enforcement and the severity of penalties under such laws, resulting in greater scrutiny and punishment for companies convicted of violating anti-corruption and anti-bribery laws. Furthermore, a company may be found liable for violations by not only its employees, but also by its contractors and third party agents. Although the Company has adopted steps to mitigate such risks, such measures may not always be effective in ensuring that the Company, its employees, contractors or third party agents will comply strictly with such laws. If the Company finds itself subject to an enforcement action or is found to be in violation of such laws, this may result in significant penalties, fines and/or sanctions being imposed, resulting in a material adverse effect on the Company's reputation and results of its operations.

### **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, including government regulations.

### **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.

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## **OUTLOOK**

In the near term, the Company will focus on additional lithium property consolidation in the La Corne region. It is felt that 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 kilometres, and this may continue in some cases where compilation is incomplete. Additional exploration drilling will be prioritized on the Preissac-La Corne and Vallee Lithium properties and outcrop mapping and sampling on the Baillarge and Baillarge North properties, testing for molybdenite and lithium.

Longer term objectives include metallurgical testing from a 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.

## **SUBSEQUENT EVENTS**

On January 11, 2019, the Company announced that it has changed auditors from Gram LLP ("Gram") to UHY McGovern Hurley LLP ("McGovern"), effective January 8, 2019. The former auditor resigned as of the effective date of January 8, 2019. McGovern has been appointed as the successor auditor. In accordance with National Instrument 51-102 ("NI 51-102"), the Company has filed a Change of Auditor Notice on SEDAR together with letters from both Gram and McGovern, with each letter confirming agreement with the statements contained in the notice, as applicable. There were no reportable events (as defined in NI 51-102) between Gram and the Company.

## **OUTSTANDING SHARE DATA**

Issued and outstanding common shares: December 31, 2018 – 58,873,111

Issued and outstanding common shares: April 12, 2019 – 58,873,111

Warrants outstanding: December 31, 2018 – 16,981,665

Warrants outstanding: April 12, 2019 – 16,981,665

Expiry dates of the warrants outstanding ranging between June 12, 2020 and August 1, 2020. If all the warrants were exercised, 16,981,665 shares would be issued for proceeds of \$1,698,166.

Options outstanding: December 31, 2018 – 5,870,000

Options outstanding: April 12, 2019 – 4,360,000

Expiry dates of the stock options outstanding range between December 14, 2021 and March 25, 2024. If all the options were exercised, 4,360,000 shares would be issued for gross proceeds of \$507,500.

**CAUTIONARY NOTE REGARDING 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. 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.

The information herein contains forward-looking statements and assumptions. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements under Canadian securities legislation. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "budget", "forecast", "schedule", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "target", "intend", "believe" or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "should", "might" or "will be taken", "occur" or "be achieved". Such statements and assumptions also include those relating to guidance; proposed acquisitions and strategy; development potential and timetable for the Company's properties; the Company's ability to raise additional financing; results of operations and financial condition; commodity prices; mineralization projections; the timing and amount of estimated future exploration and development; the success of exploration activities; mining or processing issues; currency exchange rates; government regulation and permitting of mining operations; reliance on qualified personnel; competition; dependence on outside parties; and environmental risks. Forward-looking statements are based on the opinions and estimates of management and certain qualified persons as of the date such statements are made. By their nature, forward-looking statements are subject to numerous known and unknown risks and uncertainties that could significantly affect anticipated results or the level of activity, performance or achievements in the future and, accordingly, actual results may differ materially from those expressed or implied by such forward-looking statements. The Company is exposed to numerous operational, technical, financial and regulatory risks and uncertainties, many of which are beyond its control and may significantly affect anticipated future results, including but not limited to risks related to: uncertainties inherent in estimating mineral resources and mineral reserves; lack of revenues; revocation of government approvals; corruption and uncertainty with court systems and the rule of law; availability of external financing on acceptable terms; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of equipment or processes to operate as anticipated; accidents, labour or community disputes; other risks of the mining industry; and other risk factors, including without limitation the risk factors described herein. Estimates regarding the anticipated timing, amount and cost of exploration activities are based on previous industry experience and regional political and economic stability. Capital and operating cost estimates are based on research of the Company or its consultants. Although management has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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