

Introductory Comment and Overview

Lund Enterprises Corp. is a junior mineral exploration company listed on the TSX Venture Exchange under the trading symbol “LEN”. The Company is in the business of evaluating mineral assets in the exploration stage.

This MD&A is dated November 22, 2018 and discloses specified information up to that date. Lund is classified as a “venture issuer” for the purposes of National Instrument 51-102. Unless otherwise cited, references to dollar amounts are Canadian dollars. Throughout this report we refer from time to time to “Lund”, “the Company”, “we”, “us”, “our” or “its”. All these terms are used in respect of Lund Enterprises Corp. which is the reporting issuer in this document. *We recommend that readers consult the “Cautionary Statements” on the last page of this report.* Additional information related to Lund is available for view on SEDAR at www.sedar.com.

Proposed RTO transaction

On November 7, 2018 the Company issued a news release (the “RTO News Release”), filed on SEDAR at www.sedar.com under the Company’s profile, setting out the terms of a proposed reverse takeover transaction (the “RTO”) in respect of certain oil & gas assets in the Republic of Namibia. This transaction, if completed, will have a transformative effect on our assets, liabilities, shareholders’ equity, operations, profit and loss, cash flows and other disclosure matters under IFRS, and readers of this document are referred to that news release in its entirety.

A very condensed summary of some of the financial implications of the RTO is provided in Note 8 *Subsequent events* to the accompanying financial statements as at September 30, 2018 and for the interim fiscal period then ended (“Interim Financial Statements”).

Project Status

Our project activities in recent periods are summarized by the following remarks.

- **Black Fox Project:** This project consists of nine claims totalling 76 units located in Tuuri Township, in the Thunder Bay Mining Division, Ontario. These claims are in good standing. Terms of the option agreement are described in Note 3 to the Interim Financial Statements.
- **Recent project work:** During June and July 2018 we completed a program of general prospecting on the Black Fox claims, triggered in part by the need to conform to new tenure regulations in the Province of Ontario.
- **Proposed disposition:** As set out in Note 8(b) to the Interim Financial Statements, as part of the proposed RTO the Company intends to divest itself of its interest in the Black Fox project on terms yet to be determined.

Interim MD&A – Quarterly Highlights**Cash position, current liabilities and liquidity**

At the beginning of the current fiscal quarter we had cash on hand of approximately \$204,000. The statement of cash flows shows during the quarter we decreased our cash by some \$36,000, attributable to the cash outflows from our *operating activities* of some \$86,000 offset by private placement proceeds of \$50,000 as set out in Note 6(b). The loss from operating activities was essentially made up of our net cash operating loss for the quarter of \$84,000 adjusted, principally, for an increase in payables of \$12,000, which decreased our cash outflows, and an increase in prepaid expenses of \$14,000 which increased those outflows. The aggregate reduction in our cash left us, at the end of the fiscal quarter, with cash of \$168,000. Current liabilities were \$128,000. Of that amount, \$99,750 comprised accrued unpaid compensation to directors and senior officers. Based on current rates of cash drawdown, we believe we possess sufficient cash resources for the remainder of the 2018-2019 fiscal year currently under way. We draw readers’ attention to our disclosure in Note 8 to the Interim Financial Statements of the Company’s plan to carry out a \$3 million private financing associated with the RTO which would in the short term greatly enhance our cash position. We further point out, however, that the exploration plans on the Namibia project post-RTO are expected to cost in excess of \$2 million. **The remarks immediately preceding are clearly forward-looking information and we emphasize to readers the Cautionary Statements on the last page of this document.**

Operating expenses

Operating expenses for 2018-2019’s first quarter were \$84,000 versus \$33,000 in the 2017-2018 first quarter, a \$51,000 or 150% increase. An aggregate \$42,000 of this increase arose in the line items *Consulting* (\$13,000), *Exploration expense* (\$10,000), *Legal* (\$5,000), *Rent* (\$5,000) and *Salaries and benefits* (\$9,000). The increases in consulting, legal and salaries arose primarily from work on the proposed RTO. The exploration increase was the new

¹ This filing is made using the option provided by Part 2.2.1 of NI51-102-F1 to provide Quarterly Highlights.

fiscal year portion of the prospecting program set out above under “Recent project work”. The rent increase arose because of the expiry of a favourable prepaid rent arrangement in effect in the prior fiscal year.

Related Party Transactions

During the three month quarter ended September 30, 2018, the Company accrued directors’ fees of \$1,500 to each of our directors Vivian Danielson, Derek Bartlett and Chet Idziszek for a total of \$4,500. The Company made no payments or accruals for any salary to Mr. Idziszek, for his service as Chief Executive Officer, and paid or accrued salaries and benefits of \$18,500 to Ian Brown, its Chief Financial Officer. Directors’ fees and the CEO’s and the CFO’s compensation are recorded as salaries and benefits expense in the statement of comprehensive loss. The entire \$4,500 in directors’ fees and \$18,500 of the CFO’s compensation were deferred and added to accrued liabilities in the quarter. The CFO was paid \$13,050 during the quarter in respect of prior periods’ accrued compensation.

Included in trade and other payables at September 30, 2018 is \$99,750 (June 30, 2018 - \$54,500) due to related parties for deferred and accrued fees.

Risk Factors

In our management discussion and analysis filed on SEDAR October 3, 2018 in connection with our annual financial statements (the “Annual MD&A”) we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by Lund. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Further, and in particular, readers should recognize that the RTO transaction entered into November 7, 2018 and set out in Note 8 to the Interim Financial Statements represents a profoundly significant prospective transaction, and the failure of it to be completed for any reason would likely be a material adverse outcome. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A with the exception of the new risks associated with the RTO transaction.

Vancouver, British Columbia



November 22, 2018

We recommend that readers refer to the Cautionary Statements below.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, our expectations of ongoing administrative costs, our references to possible sources of finance in the future, and our disclosure of the proposed RTO transaction set out in Note 8(a) to the Interim Financial Statements. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, the capital markets, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.