

KINGSMEN RESOURCES LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

This discussion and analysis of financial position and results of operation is prepared as at November 21, 2019 and should be read in conjunction with the unaudited condensed consolidated interim financial statements for the nine months ended September 30, 2019 of Kingsmen Resources Ltd. (the "Company"). The following disclosure and associated financial statements are presented in accordance with International Financial Reporting Standards ("IFRS"). Except as otherwise disclosed, all dollar figures included therein and in the following management discussion and analysis ("MD&A") are quoted in Canadian dollars.

Forward-Looking Statements

This MD&A contains certain statements that may constitute "forward-looking statements". Forward-looking statements include but are not limited to, statements regarding future anticipated exploration programs and the timing thereof, and business and financing plans. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Forward-looking statements are typically identified by words such as: believe, expect, anticipate, intend, estimate, postulate and similar expressions, or which by their nature refer to future events. The Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, and that actual results may differ materially from those in forward-looking statements as a result of various factors, including, but not limited to, the Company's ability to identify one or more economic deposits on its properties, to produce minerals from its properties successfully or profitably, to continue its projected growth, to raise the necessary capital or to be fully able to implement its business strategies.

Historical results of operations and trends that may be inferred from this MD&A may not necessarily indicate future results from operations. In particular, the current state of the global securities markets may cause significant reductions in the price of the Company's securities and render it difficult or impossible for the Company to raise the funds necessary to continue operations.

All of the Company's public disclosure filings, including its most recent management information circular, material change reports, press releases and other information, may be accessed via www.sedar.com and readers are urged to review these materials, including the technical reports filed with respect to the Company's mineral properties.

Company Overview

The Company is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSXV") under the symbol "KNG" and on the OTCQB under the symbol "TUMIF". The Company is a junior mineral exploration company primarily engaged in the acquisition and exploration of precious metals on mineral properties. The Company's principal office is located at #1305 - 1090 West Georgia Street, Vancouver, British Columbia, V6E 3V7.

As of the date of this MD&A, the Company has not earned any production revenue, nor found any proven reserves on any of its properties. The La Trini Project is on a care and maintenance status and minimal costs are being incurred as necessary to retain ownership. The Company has been actively conducting reviews and due diligence on prospective acquisitions and business opportunities. During the second quarter of 2019 the Company was actively negotiating a proposal of a new business. The parties were unable to finalize on the terms of the proposed transaction and discussions were terminated. Management of the Company has recommenced its search.

Annual General Meeting

At the Company's annual general meeting of shareholders (the "AGM") held on November 8, 2019, Messrs. Scott Emerson, Nick DeMare, David Henstridge and Rodney Johnston were re-elected as directors of the Company. At a board of directors meeting immediately following the AGM, Mr. Emerson was appointed Chief Executive Officer ("CEO"), Mr. DeMare was appointed Chief Financial Officer ("CFO") and Mr. Harvey Lim was appointed Corporate Secretary.

Exploration Project

La Trini, Mexico

The Company owns a 100% interest in five mineral claims (the “La Trini Project”) located in the Hostotipaquillo mining district approximately 100 kilometres northwest of Guadalajara, Jalisco State, Mexico. The La Trini Project, comprising five mineral claims, covers 880 acres, and the mineralization occurs over an area of 400m x 200m. Potential exists to extend the mineralized zone. Three separate drill programs have been undertaken on the project. Current resources, based on a NI43-101 compliant resource, are Indicated 1,661,359 t at 121.3 g/t Ag, 0.88 g/t Au, Inferred 192,880 t at 98.6 g/t Ag, 0.92 g/t Au, using a 30 g/t Ag cutoff.

In November 2019, with funding in place, the Company announced that it plans to conduct an initial geological field program on the La Trini Project at an expected cost of approximately \$70,000. Field crews have been mobilized to the project. Initial activities, will include prospect-scale mapping and sampling over the entire project area to identify drill hole targeting. In addition, as part of the program the Company will commence the environmental permitting process for drilling.

The Qualified Person for the Company’s La Trini project is Mr. David Henstridge, a director of the Company, a fellow of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists.

Selected Financial Data

The following selected financial information is derived from the unaudited condensed consolidated interim financial statements of the Company prepared in accordance with IFRS.

Three Months Ended	Fiscal 2019			Fiscal 2018			Fiscal 2017	
	Sep. 30 2019 \$	Jun. 30 2019 \$	Mar. 31 2019 \$	Dec. 31 2018 \$	Sep. 30 2018 \$	Jun. 30 2018 \$	Mar. 31 2018 \$	Dec. 31 2017 \$
Operations:								
Revenues	Nil							
Expenses	(66,197)	(63,713)	(80,893)	(72,546)	(75,526)	(81,468)	(50,089)	(18,572)
Other items	1,833	2,576	2,204	3,243	3,142	3,310	3,451	843
Net loss and comprehensive loss	(64,364)	(61,137)	(78,689)	(69,303)	(72,384)	(78,158)	(46,638)	(17,729)
Basic and diluted loss per share	(0.00)	(0.00)	(0.00)	(0.02)	(0.00)	(0.00)	(0.00)	(0.01)
Dividends per share	Nil							
Statement of Financial Position:								
Working capital	759,884	424,680	485,817	564,506	633,809	706,193	784,351	243,336
Total assets	791,154	444,849	518,503	586,721	654,361	746,106	814,721	252,187
Total long-term liabilities	Nil							

Results of Operations

Three Months Ended September 30, 2019 Compared to Three Months Ended June 30, 2019

During the three months ended September 30, 2019 (“Q3”) the Company reported a net loss of \$64,364 compared to a net loss of \$61,137 for the three months ended June 30, 2019 (“Q2”) a minor increase in loss of \$3,227.

Nine Months Ended September 30, 2019 Compared to the Nine Months Ended September 30, 2018

During the nine months ended September 30, 2019 (the “2019 period”) the Company reported a loss of \$204,190 compared to a loss of \$197,180, for the nine months ended September 30, 2018 (the “2018 period”), an increase in loss of \$7,010. Specific general and administrative expenses of note are as follows

- (i) management fees of \$72,000 (2018 - \$51,100), an increase of \$20,900 reflecting the increase in Mr. Emerson’s compensation in his capacity as President. Effective April 1, 2018, Mr. Emerson’s compensation was increased to \$8,000 per month;
- (ii) regulatory fees increased by \$14,944, from \$9,150 during the 2018 period to \$24,094 during the 2019 period. The increase is mainly attributed to OTCQB sustaining fees;

- (iii) professional fees decreased by \$12,900, from \$30,900 during the 2018 period to \$18,000 during the 2019 period. During the 2019 period the Company did not engage the services of a consultant which was provided in the 2018 period;
- (iv) an increase of \$5,480 in office and miscellaneous expenses, from \$8,714 during the 2018 period to \$14,194 during the 2019 period. The increase is attributed to an increase in general corporate activities;
- (v) rent expenses increased \$4,400, from \$10,200 during the 2018 period to \$14,600 during the 2019 period. In January 2019 the Company relocated its office. The arrangement is on a monthly basis;
- (vi) during the 2019 period the Company incurred \$2,161 for management to attend a conference seeking business opportunities;
- (vii) \$16,500 (2018 - \$20,300) was incurred for accounting and administrative services provided by Chase Management Ltd. ("Chase") a private corporation owned by Mr. DeMare, the CFO of the Company, and \$3,086 (2018 - \$3,059) for services provided by an arms-length accountant for the Company's Mexican operations; and
- (viii) during the 2018 period the Company incurred \$26,244 for listing and sponsorship fees relating to the application and listing of the Company's common shares on the OTCQB.

During the 2019 period the Company reported interest income of \$7,618 compared to \$9,153 during the 2018 period.

Financings

During the 2019 period the Company completed the first tranche of a non-brokered private placement and issued 6,345,384 units for gross proceeds of \$412,450. The Company plans to use a portion of the net proceeds for the geological field program on the La Trini Project as well as for general working capital and corporate purposes.

During the 2018 period the Company completed a non-brokered private placement of 8,000,000 units for gross proceeds of \$600,000.

Financial Condition / Capital Resources

As at September 30, 2019 the Company had working capital in the amount of \$759,884. Subsequent to September 30, 2019 the Company completed the final tranche of the non-brokered private placement and issued 1,428,730 units for gross proceeds of \$92,867. Management believes that the Company has adequate resources to maintain its current levels of overhead and ongoing corporate expenses, continue ongoing due diligence on potential business acquisitions and to conduct the geological field program and maintenance of the La Trini claims for the next twelve months. The Company is actively reviewing business opportunities. The Company recognizes that it will be required to obtain additional financing should the Company complete an acquisition or resume exploration activities. While the Company has been successful in securing financings in the past, there can be no assurance that it will be able to do so in the future.

Contractual Commitments

The Company has no contractual commitments.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Proposed Transactions

The Company does not have any proposed transactions.

Critical Accounting Estimates

The preparation of financial statements in conformity IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Examples of significant estimates made by management include plant and equipment lives, estimating the fair values of financial instruments, impairment of long-lived assets and reclamation and rehabilitation provisions. Actual results

may differ from those estimates. See also Note 3 of the audited consolidated financial statements for the year ended December 31, 2018.

Changes in Accounting Principles

The Company adopted IFRS 16 - *Leases* (“IFRS 16”) effective January 1, 2019.

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16’s approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

There was no impact on the Company’s condensed consolidated interim financial statements upon the adoption of this new standard.

A detailed summary of the Company’s other significant accounting policies is included in Note 3 to the December 31, 2018 audited annual consolidated financial statements.

Related Party Disclosures

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consists of the CEO and CFO of the Company.

(a) *Key Management Personnel Disclosures*

During the 2019 and 2018 periods the following amounts were incurred with respect to Mr. Emerson, the CEO and Mr. DeMare, the CFO of the Company:

	2019 \$	2018 \$
Management fees - Mr. Emerson	72,000	51,100
Professional fees - Mr. DeMare	4,500	4,500
	<u>76,500</u>	<u>55,600</u>

As at September 30, 2019, \$8,000 (December 31, 2018 - \$nil) remained unpaid

(b) *Other Related Party Disclosures*

(i) During the 2019 and 2018 periods the following amounts were incurred with respect to non-management current and former directors of the Company, Messrs. Henstridge, Lim and Johnston as follows:

	2019 \$	2018 \$
Professional fees - Mr. Henstridge	4,500	4,500
Professional fees - Mr. Lim	4,500	4,500
Professional fees - Mr. Johnston	4,500	4,500
	<u>13,500</u>	<u>13,500</u>

As at June 30, 2019, \$4,500 (December 31, 2018 - \$6,000) remained unpaid.

(ii) During the 2019 period the Company incurred a total of \$16,500 (2018 - \$20,300) to Chase, a private corporation owned by Mr. DeMare, for accounting and administration services provided by Chase personnel, excluding Mr. DeMare. As at June 30, 2019, \$1,000 (December 31, 2018 - \$3,100) remained unpaid.

(iii) During the 2019 period the Company completed the first tranche of a non-brokered private placement and issued a total of 6,345,384 units at \$0.065 per unit for \$412,450. Mr. Emerson, a

company controlled by Mr. Emerson and Mr. Emerson's spouse, purchased a total of 1,415,384 units for \$92,000.

During the 2018 period the Company completed a non-brokered private placement of 8,000,000 units at \$0.075 per unit for \$600,000. Direct family members of Mr. Emerson and Mr. Lim purchased a total of 313,332 units for \$23,500 of this private placement.

Outstanding Share Data

The Company's authorized share capital is unlimited common shares with no par value. As at November 21, 2019, there were 24,668,490 common shares issued and outstanding and 11,774,114 warrants outstanding at exercise prices of \$0.10 and \$0.085 per share.