

VELA MINERALS LTD.
(the "Company" or "Vela")
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTHS ENDED July 31, 2018

The following Management's Discussion and Analysis ("MD&A"), prepared as of September 26, 2018, should be read in conjunction with the interim financial statements of the Company for the three and nine months ended July 31, 2018 and related notes thereto, which have been prepared in accordance with IAS 34, "Interim Financial Reporting" using accounting principles consistent with International Financial Reporting Standards (IFRS). In addition, these financial statements should be read in conjunction with the Company's audited annual financial statements for the year ended October 31, 2017. All monetary amounts in this MD&A and in the financial statements are expressed in Canadian dollars unless otherwise stated. Additional information on the Company can be found on SEDAR at www.sedar.com. The reader should be aware that historical results are not necessarily indicative of future performance.

Vela Minerals Ltd. was incorporated under the BCA-BC on May 19, 2011 and began trading on the TSX-Venture exchange on October 24, 2012 under the trading symbol VLA.

Forward Looking Statements

Forward-looking statements look into the future and provide an opinion as to the effect of certain events and trends on the business. Certain statements contained in this MD&A constitute forward-looking statements. The use of any words such as "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors.

It is important to note that:

- Unless otherwise indicated, forward-looking statements in this MD&A describe the Company's expectations as of September 26, 2018.
- Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company's business, or if the Company's estimates or assumptions prove inaccurate. Therefore, the Company cannot provide any assurance that forward-looking statements will materialize.
- The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason except as required by law.

For a description of material factors that could cause the Company's actual results to differ materially from the forward-looking statements in this MD&A, please see "Mining Risks" and "Business Risks".

Overall Performance

The Company is engaged primarily in the business of evaluating, acquiring and, if warranted, developing natural resource properties in British Columbia. The Company's common shares trade on the TSX Venture Exchange under the symbol "VLA". The Company is a development stage company and has produced no revenues to date and is reliant on the issuance of shares to finance continued exploration activities and operations.

During the year ended October 31, 2013, the Company completed all conditions related to an option to acquire, subject to certain net smelter royalty interests, an undivided 100% interest in the Rossland Property, an exploration property situated in British Columbia as further described under the heading "*The Rossland Property*". Under the terms of the Rossland Agreement, the Company paid cash consideration of \$20,000 with an additional \$50,000 paid upon successful completion of the Company's initial public offering on October 22, 2012, and subsequent listing of the Company's shares on the TSX Venture Exchange on October 24, 2012 ("Listing Date"). The Company also issued an aggregate of 500,000 common shares pursuant to the Rossland Agreement in four tranches of 125,000 shares each over a one year period with the first tranche issued on the Listing Date and the remaining three tranches issued in three month intervals commencing six months after the Listing Date with the final tranche being completed on October 24, 2013. During the year ended October 31, 2014, the Company sold one mineral tenure from the Rossland property for proceeds of \$20,000.

On July 24, 2017, the Rossland property was sold to a related party for \$1,000 as the Company had no plans to continue work on the property and the claims were set to expire on November 1, 2017. The claims were then returned to the Company on October 31, 2017 for the same \$1,000. During the period of time after the sale of the Rossland Property and prior to its repurchase, there was a small work program completed independent of the Company. The program consisted of surface sampling in which 35 samples were collected and assayed. In Q1 2018, the Company incorporated the results from this work program in an updated Assessment report for the Rossland Property, extending the claims to July 31, 2018. As the claims were not renewed, the property was written down to \$Nil on July 31, 2018.

	Rosland Property
Balance at November 1, 2016	\$ 194,177
Additions:	
Acquisition costs	1,000
Proceeds on disposal	(1,000)
Write down	(193,177)
Balance at October 31, 2017	\$ 1,000
Exploration costs	5,834
Write down	(6,834)
Balance at July 31, 2018	\$ -
Summary:	
Acquisition & option payments	\$ 96,203
Exploration	140,834
Mineral tax credits	(36,026)
Write down	(200,011)
Proceeds on disposal	(1,000)
Balance at July 31, 2018	\$ -

Standard Uranium Transaction

On April 19, 2018 Vela announced that it had entered into a definitive share purchase agreement to acquire all of the outstanding common shares of Standard Uranium Ltd. ("Standard"). Standard holds the rights to acquire the Davidson River Project in the Athabasca Basin, Saskatchewan. The property is comprised of 65,000 acres in the southwest portion of the basin and is highly prospective for basement hosted uranium deposits. Vela will acquire all the outstanding share capital of Standard by mean of a share exchange. (see news release posted April 19, 2018).

In connection with the transaction the Company intends to conduct a non-brokered private placement of up to 10,000,000 common shares at a price of \$0.25 per share.

Selected Annual Information

The following table summarizes financial information, prepared in accordance with IFRS, for the Company for the years ended October 31, 2017 and 2016 and 2015.

For the period ended or as at	For the year ended October 31, 2017	For the year ended October 31, 2016	For the year ended October 31, 2015
Current assets (\$)	2,532	25,025	38,509
Exploration and evaluation properties (\$)	1,000	194,177	214,204
Total assets (\$)	3,532	219,202	252,713
Current liabilities (\$)	14,000	9,545	11,855
Long term financial liabilities (\$)	-	-	-
Revenues (\$)	-	-	-
Net loss (\$)	(220,125)	(31,201)	(343,456)
Basic and diluted net loss per common share (\$)	-	-	(0.03)
Weighted average number of common shares outstanding	10,574,711	10,574,711	10,574,711

During the year ended October 31, 2017 Vela wrote down the Rossland property by \$194,177. The balance of the year's loss arose primarily from professional fees of \$26,948.

The Company has no dividend policy and has no intention of developing a dividend policy in the foreseeable future. The Company has paid no dividends and has no retained earnings from which it might pay dividends.

Summary of Quarterly Results

The following is a summary of selected financial data for the Company for the eight most recently completed quarters.

	3 Months ended Jul 31, 2018 \$	3 Months ended Apr 30, 2018 \$	3 Months ended Jan 31, 2018 \$	3 Months ended Oct 31, 2017 \$	3 Months ended Jul 31, 2017 \$	3 Months ended Apr 30, 2017 \$	3 Months ended Jan 31, 2017 \$	3 Months ended Oct 31, 2016 \$
Total revenue	Nil							
Net loss	(76,110)	(33,439)	(26,337)	(5,620)	(197,604)	(12,782)	(4,119)	(5,300)
Net loss per share, basic and diluted	0.04	0.02	0.01	0.00	0.11	0.01	0.00	0.00
Total assets	6,746	10,407	10,032	3,532	5,152	206,263	214,038	219,202
Total liabilities	152,098	80,650	46,837	14,000	10,000	13,507	8,500	9,545
Total shareholders' equity (deficiency)	(145,352)	(70,243)	(36,805)	(10,468)	(4,848)	192,756	205,538	209,657

Results of Operations

Three months ended July 31, 2018

During the three months ended July 31, 2018 the Company recorded a comprehensive loss of \$69,276 (\$0.04 per share) compared with a loss of \$197,604 (\$0.11 per share) in the second quarter of 2017.

Significant items in the third quarter of 2018 included:

- Consulting fees of \$7,500 to new management put in place in January, 2018;
- Professional fees of \$47,701 (2017 quarter - \$1,266) to update corporate filings, consolidate the outstanding common shares, negotiate and complete a non-binding Letter of Intent, a definitive share purchase agreement and yearend audit;
- Transfer agent and filing fees of \$13,411 to complete the consolidation; and
- Write down the Rossland mineral property by \$6,834 in the 2018 period.

The Company suffered a loss on disposal of \$193,177 in the third quarter of 2017 with respect to the Rossland property.

Nine months ended July 31, 2018

During the nine months ended July 31, 2018 Vela recorded a comprehensive loss of \$135,884 (\$0.08 per share) compared to a comprehensive loss of \$214,505 (\$0.12 per share) in the first nine months of 2017.

Significant items in the first nine months of 2018 included:

- Consulting fees of \$16,250 paid to new management put in place in January, 2018;
- Professional fees were \$77,036 in the first nine months of 2018 compared with \$4,266 in the 2017 period. The costs in 2018 were considerably higher as a result of added general legal work, the consolidation, the non-binding Letter of Intent, the resulting definitive share purchase agreement and yearend audit; and
- Transfer agent and filing fees were higher in the 2018 period (\$34,632) than in the 2017 nine months (\$Nil) as a result of completing the share consolidation and the change of transfer agent.

In the first nine months of 2018 Vela wrote down the Rossland property by \$6,834. In the 2017 period the Company recorded a loss on disposal of mineral property in the amount of \$193,177.

Liquidity and Capital Resources

As at July 31 2018 the Company had current assets of \$6,746 and current liabilities of \$152,098, resulting in a working capital deficiency of \$145,352.

During the first nine months of 2018 operating activities used \$50,167 in cash. The Company invested \$5,834 in exploring the Rossland property.

The Company's activities in the first half of 2018 were financed by loans received, \$55,793, from an investor who is prepared to assist the Company to implement its business plan. The Company also received a share subscription advance in the amount of \$1,000.

The Company is a development stage company with no revenue producing properties and, consequently, does not generate operating income or cash flow. The Company has incurred losses since inception. The Company has relied upon the issuance of equity capital to provide working capital to fund the Company's operations.

Off Balance Sheets Transactions

The Company has no off-balance sheet arrangements.

Share Capital

Authorized: Unlimited common shares with no par value

Issued and Outstanding: 1,762,450 as at April 30, 2018.

On January 12, 2018 the Company completed a 1 for 6 consolidation of its issued and outstanding common shares. The share outstanding pre-consolidation were 10,574,711.

Stock Options

The Company adopted a stock option plan (the "Stock Option Plan") under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares from time to time. Under the Stock Option Plan, the exercise price of an option may not be less than the closing market price during the trading day immediately preceding the date of the grant of the option, less any applicable discount allowed by the Exchange. Options can be granted for a maximum term of 10 years and vest at the discretion of the board of directors.

130,000 stock options, exercisable at \$0.175 expired during the first quarter of 2018. As a result, as at July 31, 2018 Vela has no stock options outstanding.

Related Party Transaction

During the nine months ended July 31, 2018 the Company incurred consulting fees to a director of \$16,250 plus GST (2017 - \$Nil). As at July 31, 2018 the Company owed the director \$17,099 (October 31, 2017 - \$Nil) in respect of these fees and out of pocket expenses.

Key management are those personnel having the authority and responsibility for planning, directing and controlling the Company and include the President and Chief Executive Officer, Chief Financial Officer and directors. No remuneration was paid to key management personnel during the three month periods ended January 31, 2018 and 2017 other than as indicated above.

Loans Payable

At July 31, 2018 Vela had \$26,871 in loans payable, which are unsecured and bear interest at 10% per annum and will be repaid once the Company's business plan is implemented.

These loans represent funds advanced by an investor who is assisting in implementing the Company's business plan. Receipt of these loans is providing the working capital for Vela to prepare financial statements and for corporate filings. As a result, Vela has gained further time in which to implement its intended business plan.

Promissory Notes Payable

These funds were advanced by the same investor who funded the loans payable, and for the same purposes. The promissory notes are due on demand, unsecured and non-interest bearing.

Financial Instruments

Fair Value of Financial Instruments

The Company's financial instruments recognized on the statement of financial position consist of cash and cash equivalents, GST/HST receivable, accounts payable and accrued liabilities, loans payable and promissory notes payable. Cash and cash equivalents are carried at fair value. Due to their short-term nature, the carrying values of accounts payable and accrued liabilities, loans payable and promissory notes payable approximate fair value.

The Company's exposure from its use of financial instruments is incorporated into the risk analysis of interest rate risk, credit risk and liquidity risk noted below.

Capital Management

The Company considers its capital to be the total shareholders' equity which at period end was negative \$145,352 (October 31, 2017 - negative \$10,468).

The Company's objectives in managing its capital are: to maintain corporate and administrative functions necessary to support the Company's operations and corporate functions; to perform mineral exploration activities on the Company's exploration projects; and to seek out and acquire new projects of merit. In order for the Company to carry out planned exploration, additional equity financing will be required.

The Company is not subject to any externally imposed capital requirements. Funds are secured, when necessary, through the sale of common shares.

Market Risk

Interest rate risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company had \$3,244 in cash as at July 31, 2018. The Company's cash balances held at financial institutions earn interest at rates which vary according to prevailing rates. The Company does not deem the associated interest rate risk to be material.

Credit risk

Credit risk is the risk of potential loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's receivable balances are from tax authorities, therefore, the Company is not subject to significant credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. As at July 31, 2018, the Company's current liabilities consisted of accounts payable and accrued liabilities, loans payable and promissory loans payable, together totaling \$152,098. The Company's cash and GST receivable, totaling \$6,746, was not sufficient to pay its current liabilities. Further continued operations and exploration beyond what is currently anticipated will require additional equity financing.

Mining Risks

The Company is subject to the risks typical in the mining business including uncertainty of success in exploration and development; operational risks including unusual and unexpected geological formations, rock bursts, particularly as mining moves into deeper levels, cave-ins, flooding and other conditions involved in the drilling and removal of material as well as environmental damage and other hazards; risks that intended drilling schedules or estimated costs will not be achieved; and risks of fluctuations in the price of commodities and currency exchange rates. Metal prices are subject to volatile price movements over short periods of time and are affected by numerous factors, all of which are beyond the Company's control, including expectations of inflation, levels of interest rates, sales of gold by central banks, the demand for commodities, global or regional political, economic and banking crises and production rates in major producing regions. The aggregate effect of these factors is impossible to predict with any degree of certainty.

Business Risks

Natural resources exploration and development involve a number of business risks, some of which are beyond the Company's control. These can be categorized as operational, financial and regulatory risks.

- Operational risks include finding and developing reserves economically, changing governmental laws and regulations, hiring and retaining skilled employees and contractors and conducting operations in a cost effective and safe manner. The Company continuously monitors and responds to changes in these factors and adheres to all regulations governing its operations. Insurance may be maintained at levels consistent with prudent industry practices to minimize risks however the Company is not fully insured against all risks nor are all such risks insurable.
- Financial risks include fluctuations in commodity prices, interest rates and foreign exchange rates, all of which are beyond the Company's control.
- Regulatory risks include possible delays in getting regulatory approval for transactions that the Board of Directors believe to be in the best interest of the Company, increased fees for filings, and the introduction of ever more complex reporting requirements, the cost of which the Company must meet in order to maintain its exchange listing.

Outlook

The Company is actively pursuing financing arrangements to rectify the current working capital deficit and provide funds for continued operations. In addition, the Company may evaluate other

prospects worthy of exploration and development. The ability of the Company to do so is contingent upon its ongoing ability to raise the capital necessary to advance such prospects.

Approval

The Board of Directors of the Company have approved the disclosure contained in this MD&A.

Other Information

Additional information related to the Company is available for viewing on SEDAR at www.sedar.com.