



SOLIDUS GOLD INC.

Management Discussion and Analysis

FOR THE YEAR ENDED MARCH 31, 2018

SOLIDUSGOLD INC.

Management Discussion and Analysis

For the year ended March 31, 2018

Introduction

This Management Discussion and Analysis (“MD&A”) of SolidusGold Inc. (the “Company”) has been prepared by management as of June 27, 2018 and should be read in conjunction with the audited consolidated financial statements and related notes thereto of the Company for the year ended March 31, 2018. The financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). All dollar figures are expressed in Canadian dollars unless otherwise stated. These documents and additional information on the Corporation are available on SEDAR at www.sedar.com.

Forward-looking Statements

This MD&A contains “forward-looking information” within the meaning of applicable Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking information”). In certain cases, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations or the negative of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved” or the negative of these terms or comparable terminology. By their very nature, forward-looking information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. The Company disclaims any obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Historical results of operations and trends that may be inferred from the following discussions and analysis may not necessarily indicate future results from operations.

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1. Executive Summary

SolidusGold Inc. (the “Company”) was incorporated on April 13, 2011 under the laws of British Columbia under the name “Mantra Capital Inc.”. On September 4, 2014, the Company changed its name to SolidusGold Inc. and commenced trading on the TSX Venture Exchange (“TSX-V”) under the new symbol of “SDC”.

The Company is focused on the exploration and development of precious and base metal assets. The Company currently holds an undivided 100% interest in the Honeymoon Property (“Honeymoon”), an early stage gold-silver-copper property located in British Columbia. The Company remains focused on evaluating a number of opportunities with the objective to identify a high quality precious metals property in the Americas where our proven exploration team can add value for shareholders.

The Honeymoon property is an early stage gold-silver-copper property located on the west side of Adams Lake, British Columbia, approximately 85 km northeast of Kamloops, British Columbia. It is comprised of 43 mineral claims which total approximately 19,772 hectares. All mineral claims were in good standing until November 15, 2015. On November 12, 2015, the Company renewed 2 mineral claims. The claims were renewed by making a cash-in-lieu payment to remain in good standing with the Province of British Columbia. On November 15, 2015, the company allowed the remaining 41 mineral claims to lapse. Of these claims, 2 claim groups (formerly 5 claims) were re-staked on November 16, 2015 and remain in good standing. The Company holds a total of 4 claims covering an area of 3,415 hectares and in November 2016, the Company completed an exploration program on the property which will keep these claims in good standing with the Province of British Columbia until October 14, 2017. Due to the forest wildfires, the BC Chief Gold Commissioner issued an order granting an extension of time to register the work on the Company’s mineral claims until December 31, 2017. The Company currently holds 100% ownership of the tenures. During the year ended March 31, 2018, the Company completed an exploration program on the property which will keep these claims in good standing with the Province of British Columbia until October 14, 2018.

On May 27, 2015 the Company and the Optionor of the Honeymoon Property mutually cancelled the Option Agreement that was entered into on August 29, 2013 and concurrently entered into a purchase and sale agreement for an undivided 100% right, title and interest in and to the Honeymoon Property. Pursuant to the terms of the sale and purchase agreement the Company agreed to pay \$3,500 (paid) and issue 70,000 common shares (issued) as consideration for the property.

2. Highlights for the year ended March 31, 2018

The Company’s cash position at March 31, 2018 was \$205,565. The Company also held a \$5,150 short-term investment at March 31, 2018. During the year ended March 31, 2018 (“FY2018”), the Company incurred a comprehensive loss of \$242,169 as compared to a loss of \$845,966 during the year ended March 31, 2017 (“FY2017”), representing a decrease in loss of \$603,797. The Company had an accumulated deficit of \$3,163,966 as at March 31, 2018 as compared to an accumulated deficit of \$2,921,797 as at March 31, 2017.

During the period of August 23 through 28, 2017, a four-person crew from Dahrouge Geological Consulting Ltd. was authorized by the Company to conduct a ground magnetic survey on the Honeymoon property. Magnetometer readings were obtained over a series of traverse lines on the property, concentrating near the known Lucky Bear showing and areas of previously identified soil sale anomalies. Readings were recorded with two GEM System GSM-19 integrated Overhauser effect proton precision magnetometers. Sixteen traverse lines, which totaled approximately 26.8 line-km, were completed during the exploration program. The collected magnetic data was then sent to Ed Cunion at Red Rock Geophysical Consulting Ltd. for correction and analysis.

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2. Highlights for the year ended March 31, 2018 (continued)

The total costs incurred by the Company as of March 31, 2018 was \$29,945 for the completion of this work.

On February 22, 2018, Dahrouge filed the 2017 Honeymoon Property Assessment Report with BC Mineral Titles Online.

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing and generating revenues sufficient to cover its operating costs.

3. Selected Annual Information

The Company's fiscal year end is March 31. Selected annual information is presented as follows:

	March 31, 2018	March 31, 2017	March 31, 2016
Total revenues	\$Nil	\$Nil	\$Nil
Loss for the year	\$(242,169)	\$(845,966)	\$(748,540)
Loss per share	\$(0.00)	\$(0.02)	\$(0.02)
Total assets	\$294,092	\$182,132	\$153,807
Total long term liabilities	\$Nil	\$Nil	\$Nil

4. Results of Operations

The following table represents the total expenditures incurred on each property to date.

	Wind Mountain		Honeymoon	Total	
Exploration and evaluation of assets	\$	512,250	\$	63,814	\$ 576,064
Accumulated exploration project costs		139,894		259,413	399,307
Total expenditures at March 31, 2018	\$	652,144	\$	323,227	\$ 975,371

Wind Mountain Property

The Company terminated the Option Agreement on August 1, 2015 citing poor market conditions and continued erosion of the gold price.

Honeymoon Property

During the year ended March 31, 2018 the Company incurred \$29,945 of expenses on exploration work related to the Honeymoon Property and recorded \$10,991 of mining exploration tax credits received.

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4. Results of Operations (continued)

Corporate Expenditure Summary

- Exploration and evaluation costs incurred during FY2018 totaled \$18,954 (FY2017 - \$27,700).
- Management fees of \$60,000 incurred during FY2018 equalled fees from FY2017 of \$60,000.
- Office, administration and miscellaneous costs decreased \$64,756 from \$87,216 during FY2017 to \$22,460 during FY2018 primarily due to decreased business activities and travel during the period.
- Professional and consulting fees decreased \$21,341 from \$99,017 during FY2017 to \$77,676 during FY2018 primarily due to lower legal fees incurred during the period.
- Share-based payments of \$Nil incurred during FY2018 (FY2017 - \$7,764). FY2017 related to the vesting of stock options granted on August 15, 2014. All stock options are vested as at March 31, 2018.
- Property investigation costs of \$Nil incurred during FY2018 (FY2017 \$173,911). FY2017 relates to costs incurred during the evaluation of the Northumberland Project.
- Write-off of Northumberland costs of \$Nil incurred during FY2018 (FY2017 \$356,237). FY2017 relates to the costs incurred for deposit on property, financing and legal costs.
- Loss on debt settlement of \$46,430 incurred during FY2018 (FY2017 \$14,457) relates to shares for debt settlement during FY2018.

5. Summary of Quarterly Results

The following is a summary of certain financial information concerning the Company for the last eight reported quarters:

Quarter Ended	Total Revenues	Net Loss	Net Loss Per share
June 30, 2016	\$Nil	\$ (57,807)	\$ (0.00)
September 30, 2016	\$Nil	\$ (181,228)	\$ (0.00)
December 31, 2016	\$Nil	\$ (218,454)	\$ (0.00)
March 31, 2017	\$Nil	\$ (388,477)	\$ (0.01)
June 30, 2017	\$Nil	\$ (39,566)	\$ (0.00)
September 30, 2017	\$Nil	\$ (69,323)	\$ (0.00)
December 31, 2017	\$Nil	\$ (47,909)	\$ (0.00)
March 31, 2018	\$Nil	\$ (85,371)	\$ (0.00)

6. Liquidity and Capital Resources

As at March 31, 2018, the Company reported a working capital surplus of \$165,463. Net increase in cash for FY2018 was \$92,130, leaving cash on hand in the amount of \$205,565.

Current assets excluding cash at March 31, 2018 consisted of a short-term investment of \$5,150, amounts receivable of \$32,033 and prepaid expenses of \$9,490.

Current liabilities as at March 31, 2018 consisted of accounts payable and accrued liabilities of \$86,775.

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7. Off-Balance Sheet Arrangements and Commitments

At the date of this MD&A, the Company had no off-balance sheet obligations. Commitments to incur exploration and evaluation costs are detailed in Note 6 of the audited consolidated financial statements for the year ended March 31, 2018.

8. Transactions with Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

The Company had the following related party transactions:

	2018		2017	
Due from Mantra Solar Systems Inc. ("Mantra")	\$	-	\$	638
Total due from related parties	\$	-	\$	638
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Due to MA2 Capital Inc.	\$	15,000	\$	15,750
Due to Tintina Resources Inc. ("Tintina")		19,153		19,153
Due to Chief Financial Officer ("CFO")		4,594		3,049
Due to former Chief Executive Officer ("CEO")		15,000		15,000
Total due to related parties	\$	53,747	\$	52,952

Tintina was formerly related by common directors. Mantra is related by common directors and CFO. MA2 Capital Inc. is controlled by the current CEO.

The amounts due to related parties were incurred in the normal course of business and have been included in accounts payable. The balances are non-interest bearing, unsecured and are due on demand.

On December 6, 2016, the Company entered into a debt settlement agreement ("the Agreement") with AsiaBase to settle \$24,547 of amounts receivable owed by AsiaBase. Under the terms of the Agreement, AsiaBase made a cash payment of \$10,000 and the Company wrote-off the remaining balance of \$14,547 owed and recorded a loss on debt settlement of \$14,547.

Key management personnel receive compensation in the form of short-term employee benefits, share-based payments, and post-employment benefits. Key management personnel include the Chief Executive Officer, Chief Financial Officer, and directors of the Company. The remuneration of key management is as follows:

	2018		2017	
Management fees	\$	60,000	\$	60,000
Consulting fees		15,150		33,711
Share-based payments		-		6,093
Total remuneration	\$	75,150	\$	99,804

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9. Significant Accounting Estimates and Judgments

The preparation of these audited consolidated financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the audited consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Significant accounts that require estimates as the basis for determining the stated amounts include recognition of deferred income tax assets, assessment of decommissioning provision, valuation of share-based payments and assessment of impairment of exploration and evaluation assets.

(i) Impairment

At the end of each reporting period the carrying amounts of the Company's assets are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate and its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Critical accounting judgments are accounting policies that have been identified as being complex or involving subjective or assessments with a significant risk of material adjustment in the next year.

(ii) Going Concern

The assessment of the Company's ability to execute its strategy by funding future working capital requirements involves judgment. Management monitors future cash requirements to assess the Company's ability to meet these future funding requirements.

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10. Accounting Standards Issued but Not Yet Effective

Standards issued, but not yet effective, up to the date of issuance of the Company's audited consolidated financial statements are listed below. This listing of standards and interpretations issued are those that the Company reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Company intends to adopt these standards when they become effective.

New accounting standards effective for annual periods on or after April 1, 2018:

IFRS 9 - Financial Instruments

In November 2009, as part of the IASB project to replace IAS 39 Financial Instruments: Recognition and Measurement, the IASB issued the first phase of IFRS 9 Financial Instruments, that introduces new requirements for the classification and measurement of financial assets. The standard was revised in October 2010 to include requirements regarding classification and measurement of financial liabilities. In November 2013, new general hedge requirements were added to the standard. In July 2014, the final version of IFRS 9 was issued and adds a new expected loss impairment model and amends the classification and measurement model for financial assets by adding a new fair value through other comprehensive income category for certain debt instruments and additional guidance on how to apply the business model and contractual cash flow characteristics.

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition.

New accounting standards effective for annual periods on or after April 1, 2019:

IFRS 16 – Leases

In June 2016, the IASB issued IFRS 16, Leases which establishes principles for the recognition, measurement, presentation and disclosure of leases, with the objective of ensuring that lessees and lessors provide relevant information that faithfully represents those transactions. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. However, lessees are no longer classifying leases as either operating leases or finance leases as it is required by IAS 17.

IFRIC 23 Uncertainty over Income Tax Treatments

IFRIC 23, Uncertainty over Income Tax Treatments, provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. The Interpretation requires: (a) an entity to contemplate whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution; (b) an entity to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and (c) if it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

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10. Accounting Standards Issued but Not Yet Effective (continued)

**New accounting standards effective for annual periods on or after April 1, 2019:
(continued)**

The adoption of these standards and interpretations is not expected to have a material effect on the Company's future results and financial position.

11. Financial Instruments and Financial Risk

International Financial Reporting Standards 7, *Financial Instruments: Disclosures*, establishes a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair Value of Financial Instruments

The Company's financial assets include cash and short-term investment and are classified as Level 1. The carrying value of these instruments approximates their fair values due to the relatively short periods of maturity of these instruments.

Assets measured at fair value on a recurring basis were presented on the Company's statements of financial position are as follows:

	Fair Value Measurements Using				Total
	Quoted Prices in Active Markets For Identical Instruments (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)		
March 31, 2018:					
Cash	\$ 205,565	\$ -	\$ -	\$ -	\$ 205,565
Short-term investment	5,150	-	-	-	5,150
March 31, 2017:					
Cash and cash equivalents	\$ 113,435	\$ -	\$ -	\$ -	\$ 113,435
Short-term investment	5,100	-	-	-	5,100

Fair value

The fair value of the Company's financial instruments approximates their carrying value as at March 31, 2018 and 2017 because of the demand nature or short-term maturity of these instruments.

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11. Financial Instruments and Financial Risk (continued)

Financial risk management objectives and policies

The Company's financial instruments include cash, short-term investment, due from related parties and accounts payable. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) *Currency risk*

The Company has operations in the United States which are transacted into U.S. dollars. Accordingly, the Company is exposed to foreign exchange risk with respect to these transactions. The Company has not undertaken hedging activities to mitigate this risk.

The Company does not have any significant foreign currency denominated monetary liabilities.

(ii) *Interest rate risk*

The Company is exposed to interest rate risk on the variable rate of interest earned on bank deposits. The fair value interest rate risk on bank deposits is insignificant as the deposits are short-term.

The Company has not entered into any derivative instruments to manage interest rate fluctuations.

(iii) *Credit risk*

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations.

The credit risk on cash is limited because the cash are composed of financial instruments issued by Canadian banks and companies with high credit ratings as assigned by international credit-rating agencies. Therefore, the Company is not exposed to significant credit risk.

(iv) *Liquidity risk*

In the management of liquidity risk of the Company, the Company maintains a balance between continuity of funding and the flexibility through the use of borrowings. Management closely monitors the liquidity position and expects to have adequate sources of funding to finance the Company's projects and operations.

As at March 31, 2018, the Company had a working capital surplus of \$165,463. As at March 31, 2018, the Company had cash and short-term investment of \$210,715 to settle accounts payable and accrued liabilities of \$86,775 which falls due for payment within twelve months of the financial position date.

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12 Outstanding Share Data

Summary of Outstanding Share Data at June 27, 2018:

- a. Authorized:
Unlimited common shares without par value

Issued and outstanding:
55,731,865 common shares
- b. Stock options:
Options outstanding: 3,105,000
- c. Warrants:
Warrants outstanding: 3,571,429

13. Disclosure Controls

Management has designed disclosure controls and procedures, or has caused them to be designed under its supervision to provide reasonable assurance that material information relating to the Company is made known to management, particularly during the period in which the annual filings are being prepared. Management has also designed such internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of the audited consolidated financial statements for the year ended March 31, 2018, in accordance with IFRS.

The Chief Executive Officer and Chief Financial Officer of the Company have evaluated the effectiveness of the Company's disclosure controls and procedures in place as at March 31, 2018. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer of the Company concluded that the design and operations of these controls and procedures were effective.

Additional disclosures pertaining to the Company's management information circulars, material change reports, press releases and other information are available on the SEDAR website at www.sedar.com. The shareholders will be kept informed of any material changes.