

HYBRID MINERALS INC.

FORM 51-901F – FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

MANAGEMENT’S DISCUSSION AND ANALYSIS: DATE NOVEMBER 29, 2019

DESCRIPTION OF BUSINESS

The Board of Directors of Hybrid Minerals Inc. (the “Company”) is pleased to present to its shareholders a summary of the Company’s activities for the nine month period ended September 30, 2019, and any other pertinent events subsequent to that date up to and including the date of this report.

The following information should be read in conjunction with the September 30, 2019 interim financial statements and the December 31, 2017 audited financial statements and related notes, and MDA which are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

The Company is a “reporting” company in the provinces of British Columbia, Alberta, and Ontario. The Company’s principal business activity is the evaluation of mineral resource assets, currently focused on its rare earth project in the Cariboo Mining Division of British Columbia.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements and information. Such forward looking statements are based on the Company’s plans and expectations and involve known and unknown risks, uncertainties and factors which may cause the actual results, performance or achievements of the Company to be materially different from any performance or achievement expressed or implied by such forward looking statement.

OVERALL PERFORMANCE AND RESULTS OF OPERATIONS

Hybrid Minerals Inc., previously known as Savoy Ventures Inc. (the “Company”) was incorporated on November 7, 2011 under the Business Corporations Act (British Columbia). The head office of the Company is located at 701 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5.

On March 15, 2019, the Company acquired its rare earth project located in the Cariboo Mining Division of British Columbia, in consideration of 1,500,000 units issued at a deemed value of \$0.10 per unit.

The Company’s common shares trade on Tier 2 of the TSX Venture exchange under the symbol HZ.

SELECTED ANNUAL INFORMATION

	Years ended December 31,		
	2018	2017	2016
Net loss	(5,466,438)	(304,157)	(78,300)
Net loss per share (basic & diluted)	(0.22)	(0.02)	(0.01)
Total assets	348,372	631,900	9,088
Total shareholder' equity (deficiency)	(320,770)	444,403	(134,640)

SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information compiled from the quarterly interim unaudited financial statements for the eight quarters ending September 30, 2019:

Quarter-Ended	09/30/2019	06/30/19	03/31/19	12/31/2018	09/30/2018	06/30/2018	03/31/2018	12/31/2017
Loss for the period	\$(24,137)	\$(32,156)	\$(44,911)	\$(5,466,438)	\$(213,378)	\$(155,597)	\$(714,982)	\$(80,526)
Basic and diluted loss per share	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.22)	(\$0.00)	(\$0.00)	(\$0.01)	(\$0.01)

Nine months ended September 30, 2019

In the nine months ended September 30, 2019, net loss decreased to \$101,204 (2018 - \$1,101,429). This increase was primarily a result of stock-based compensation expense in the amount of \$nil (2018 - \$540,368), professional fees of \$37,500 (2018 - \$91,254), decreases in consulting fees of \$45,000 (2018 - 308,387), management fees of \$30,000 (2018 - \$47,250), and rent expense of \$7,500 (2018 - \$48,500) due to increased utilization of services in the current period.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2019, the Company has negative working capital of (\$271,974) compared to negative working capital of (\$320,770) as at December 31, 2018. Net cash used in operating activities for the period ended September 30, 2019 was \$235,556 (2018 - \$471,148). Financing activities for the period provided cash flows of \$180,000 (2018 - \$783,990) from net proceeds from a private placement financing of 6,000,000 units at \$0.25 per unit for gross proceeds of \$1,500,000. Each unit was comprised of one common share and one warrant exercisable at \$0.35 for 12 months from closing. Finder's fees, comprised of \$54,760 and 335,600 warrants exercisable at \$0.35 until January, 2019, were incurred in connection with the private placement completed in the period ended September 30, 2018.

The Company has a history of operating losses and of negative cash flows from operations. The Company will remain reliant on capital markets for future funding to meet its ongoing obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements at the time of this management discussion and analysis.

RELATED PARTY TRANSACTIONS

- (a) As at September 30, 2019, the amount of \$7,250 (2018 – \$10,000) was owed to the President of the Company, which is non-interest bearing, unsecured, and due on demand.
- (b) During the period ended September 30, 2019, the amount of \$30,000 (2018 – \$47,250) was incurred to the President of the Company for consulting fees.
- (c) As at September 30, 2019, the amount of \$7,250 (2018 – \$10,000) was owed to the President of the Company, which is non-interest bearing, unsecured, and due on demand. The amount is included in accounts payable and accrued liabilities.
- (d) As at September 30, 2019, the amount of \$113,400 (2018 – \$15,000) was owed to a Company controlled by the President of the Company, which is non-interest bearing, unsecured, and due on demand. The amount is included in accounts payable and accrued liabilities.
- (e) As at September 30, 2019, the amount of \$250,587 was owed to a company controlled by former directors of the Company.
- (f) As at September 30, 2019, the amount of \$1,500 (2018 - \$1,500) was owed to a company controlled by the former Chief Financial Officer of the Company.

FINANCIAL INSTRUMENTS

As at September 30, 2019, the Company's financial instruments consists of cash, amounts receivable, accounts payable and accrued liabilities, and loan payable. The fair values of these financial instruments approximate carrying values due to the relatively short-term maturity of these instruments.

ACCOUNTING POLICIES

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended September 30, 2019, and have not been applied in preparing these financial statements.

- IFRS 9, *Financial Instruments* (New)

The Company has not early adopted these revised standards and is currently assessing the impact that these standards will have on the Company's financial statements.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have a significant impact on the Company's financial statements.

LEGAL MATTERS

None outstanding.

CONTROLS AND PROCEDURES

Venture issuers are not required to include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as defined in National Instrument 52-109 Certification of Disclosure in Issuer's Annual and Interim Filings ("NI 52-109"). In particular, the Company's certifying officers are not making any representations relating to the establishment and maintenance of:

- i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and
- ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's generally accepted accounting principles.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis

RISKS AND UNCERTAINTIES

The Company is in the business of acquiring and exploring natural resource properties in Canada. Due to the nature of the Company's proposed business and the present stage of exploration of its resource properties, which are at very early stages, the following risk factors, amongst others, will apply:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially productive mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-productive. There is no assurance that exploration efforts will be successful.

Success in establishing reserves is a result of a number of factors, including the quality of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change.

Substantial expenditures are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no

assurance can be given that any future exploration programs will result in the establishment or expansion of resources or reserves.

Exploration and Development Risks

The business of exploring for minerals and mining involves a high degree of risk. There is no assurance the Company's mineral exploration activities will be successful. Few properties that are explored are ultimately developed into producing mines. In exploring and developing any future mineral deposits the Company will be subjected to an array of complex economic factors and technical considerations. Delays in obtaining governmental approvals, inability to obtain financing or other factors could cause delays in exploring and developing properties. Such delays could materially adversely affect the financial performance of the Company. Unusual or unexpected formations, formation pressures, power outages, labour disruptions, flooding, explosions, cave-ins, landslides, environmental hazards, the discharge of toxic chemicals and the inability to obtain suitable or adequate machinery, equipment or labour are other risks involved in the operation of mines and the conduct of exploration programs. The Company has limited experience in the development and operation of mines and in the construction of facilities required to bring mines into production. The Company has relied and may continue to rely upon consultants and others for operating expertise. Depending on the price of minerals produced, the Company may determine that it is impractical to commence or continue commercial production.

Financing

The Company's objective is to ensure that there are sufficient committed financial resources to meet its short-term business requirements for a minimum of twelve months. Currently, the Company does not have sufficient funds on hand to continue operating for the next twelve months as they have previously been and will need to obtain additional financing. The Company has no formal credit facilities at this time and given the Company's current stage of development, it is not expected that such credit facilities would be available to the Company.

Future exploration, development, mining, and processing of minerals from any of the Company's future properties will require substantial additional financing. The only current sources of funds available to the Company are the sale of additional equity capital, which if available, may result in substantial dilution to existing shareholders. There is no assurance that such funding will be available to the Company, or that it will be obtained on terms favourable to the Company. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development, or production on any or all of the Company's properties, or even a loss of property interests.

Competition

There is aggressive competition within the mining industry for the discovery and acquisition of properties considered to have commercial potential. The Company competes with other mining companies, many of which have greater financial resources than the Company, for the acquisition of mineral claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and other personnel.

Management believes the Company's overall liquidity risk has increased from the prior year due to the current global credit crisis and lack of financing available in the equity markets.

Difficulties in Raising Development Capital

Recent market events and conditions, including disruptions in the Canadian, United States and international credit markets and other financial systems and the deterioration of the Canadian, United States and global economic conditions, could, among other things, impede access to capital or increase the cost of capital, which would have an adverse effect on the Company's ability to fund its capital requirements to pursue the acquisition and exploration of any significant mineral projects or to secure its share of development financing following a decision to place any of its current or future mineral properties into production (whether on its own or on a joint venture basis).

Share Price Volatility

There can be no assurance that significant fluctuations in the trading price of the Company's common shares will not occur, or that such fluctuations will not materially adversely impact on the Company's ability to raise equity funding without significant dilution to its existing shareholders, or at all.

Permits and Licenses

The operations of the Company will 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 exploration, development and mining operations at its projects, on reasonable terms or at all. Delay or failure to obtain such licenses and permits or failure to comply with the terms of any such licenses and permits that the Company does obtain, could have a material adverse effect on the Company.

Acquisition of Mineral Concessions under Agreements

In the junior natural resource industry, it is typical for companies to enter into option agreement which allow the optionee to acquire the property over time while performing initial exploration activities. If the Company continues to enter into these types of agreements, the Company may have to make a series of cash payments and/or share issuances over certain time periods, expend certain minimum amounts on the exploration of the properties or contribute its share of ongoing expenditures. Failure by the Company to make such payments, issue such shares or make such expenditures in a timely fashion may result in the Company losing its interest in such properties. There can be no assurance that the Company will have, or be able to obtain, the necessary financial resources to be able to maintain all of its property agreements in good standing, or to be able to comply with all of its obligations thereunder, with the result that the Company could forfeit its interest in one or more of its mineral properties.

Environmental and Other Regulatory Requirements

Existing and possible future environmental legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delays in the activities of the Company, the extent of which cannot be predicted. Before production can commence on any properties, the Company must obtain regulatory approval and there is no assurance that such approvals will be obtained. Although the Company believes its mineral and exploration activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail production or development.

Uninsured Risks

The Company may become subject to liability for cave-ins, pollution or other hazards against which it cannot insure or against which it may elect not to insure because of high premium costs or other reasons. The payment of such liabilities would reduce the funds available for exploration and mining activities. In particular, the Company is not insured for environmental liability or earthquake damage.

Operating Hazards and Risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of base metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The Company currently does not maintain liability insurance against such liabilities. Although the Company currently intends to obtain insurance when it commences operations of reasonable significance, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Title Matters

Often, the mining claims in which the Company could acquire an interest in have not been surveyed and, accordingly, the precise location of the boundaries of the claims and ownership of mineral rights on specific tracts of land comprising the claims may be in doubt. Such claims would not be converted to lease and tenure, and are, accordingly, subject to annual compliance with assessment work requirement. Other parties may dispute the Company's title to its mining properties. While the Company has diligently investigated title to all mineral claims and, to the best of its knowledge, title to all properties is in good standing; this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements, first nation's land claim or transfers of land claims and titles which may be affected by undetected defects.

Conflicts of Interest

Certain of the Company's directors and officers serve as directors or officers of other companies or have significant shareholdings in other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of the Province of British Columbia, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a

particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Fluctuation of Metal Prices

The market price of precious metals and other minerals is volatile and cannot be controlled. If the price of precious metals and other minerals should drop significantly, the economic prospects of the projects which the Company has an interest in could be significantly reduced or rendered uneconomic. There is no assurance that, even if commercial quantities of ore are discovered, a profitable market may exist for the sale of same. Factors beyond the control of the Company may affect the marketability of any minerals discovered. Mineral prices have fluctuated widely, particularly in recent years. The marketability of minerals is also affected by numerous other factors beyond the control of the Company, including government regulations relating to royalties, allowable production and importing and exporting of minerals, the effect of which cannot be accurately predicted.

ADDITIONAL INFORMATION FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

An analysis of material components of the Company's general and administrative expenses is disclosed in the financial statements for the period ended September 30, 2019 to which this MD&A relates.

Disclosure of Outstanding Share Data

As at November 29, 2019:

Common shares outstanding	31,680,002
Stock options outstanding	2,800,000
Warrants outstanding	8,720,000
Fully diluted share capital	43,200,002

OFFICERS AND DIRECTORS

Glen Macdonald, CEO & Director

Glen Indra, CFO, Director

Ken Ralfs, Director

Additional information is available on SEDAR at www.sedar.com.