

AZINCOURT ENERGY CORP.
Management Discussion and Analysis (“MD&A”)
for the year ended September 30, 2019

The following discussion and analysis of the operations, results, and financial position of Azincourt Energy Corp. (“the Company”) for the year ended September 30, 2019 should be read in conjunction with the Company’s audited financial statements and related notes for the year ended September 30, 2019. The effective date of this report is December 19, 2019. All figures are presented in Canadian dollars, unless otherwise indicated.

COMPANY OVERVIEW

The Company was incorporated pursuant to the provisions of the *Business Corporations Act* (British Columbia) on April 7, 2011. The Company is in the business of exploration, development and exploitation of mineral resources in Canada. The Company’s primary objective is to explore mineral properties to a stage where they can be developed profitably or sold to a third party.

The Company is conducting exploration activities on the East Preston Project in Saskatchewan, Canada, certain mineral claims in Manitoba, Canada and the ELC Project in Peru.

HIGHLIGHTS FOR THE YEAR ENDED SEPTEMBER 30, 2019 AND SUBSEQUENT PERIOD UP TO DECEMBER 19, 2019

- a) On December 24, 2018, the Company completed a non-brokered private placement by issuing 1,000,333 non flow-through units at \$0.06 per unit and 3,983,333 flow-through unit at \$0.06 per unit for total proceeds of \$299,020.
- b) On February 13, 2019, the Company issued 4,000,000 common shares valued at \$200,000 for costs paid on the East Preston property on behalf of the Company.
- c) On February 26, 2019, the Company closed the first tranche of a non-brokered private placement by issuing 6,000,000 flow-through and 11,272,000 non flow-through units at \$0.05 per unit for gross proceeds of \$863,600. The Company paid finders’ fee of \$42,000, issued 840,000 finders’ fee warrants valued at \$32,000 and \$40,643 of share issuance costs relating to the private placement.
- d) On March 20, 2019, the Company closed the second tranche of a non-brokered private placement by issuing 1,600,000 flow-through and 5,453,000 non flow-through units at \$0.05 per unit for gross proceeds of \$352,650. The Company paid finders’ fee of \$9,500, issued 80,000 finders’ fee warrants valued at \$3,000 and \$4,284 of share issuance costs relating to the private placement.
- e) On April 8, 2019, the Company closed the third tranche of a non-brokered private placement by issuing 1,000,000 flow-through and 2,878,000 non flow-through units at \$0.05 per unit for gross proceeds of \$193,900. The Company paid finders’ fee of \$10,400, issued 208,000 finders’ fee warrants valued at \$9,000 and \$8,645 of share issuance costs relating to the private placement.
- f) On April 30, 2019, the Company closed the fourth tranche of a non-brokered private placement by issuing 15,000,000 flow-through and 5,546,526 non flow-through units at \$0.05

per unit for gross proceeds of \$1,027,326. The Company paid finders' fee of \$83,020, issued 1,500,000 finders' fee warrants valued at \$64,000 and \$5,978 of share issuance costs relating to the private placement.

- g) On May 24, 2019, the Company closed the final tranche of a non-brokered private placement by issuing 8,800,000 flow-through and 2,000,000 non flow-through units at \$0.05 per unit for gross proceeds of \$540,000. The Company paid finders' fee of \$43,600, issued 812,000 finders' fee warrants valued at \$31,000 and \$5,302 of share issuance costs relating to the private placement.
- h) On April 11, 2019, the Company issued 2,000,000 common shares relating to the East Preston Project option agreement, at a fair value of \$100,000.
- i) The Company issued 5,000,000 common shares pursuant to the ELC Project Option Agreement.
- j) On October 1, 2019, the Company issued 3,700,000 stock options exercisable for \$0.05.
- k) On November 1, 2019, the company issued 700,000 stock options exercisable for \$0.05.
- l) On November 26, 2019, 2,600,000 stock options were exercised at \$0.05.
- m) During the year ended September 30, 2019, 908,333 warrants were exercised for gross proceeds of \$90,833.

MINERAL PROPERTY EXPLORATION

PATTERSON LAKE NORTH – Athabasca Basin, Canada

The Company has elected not to retain its 10% interest and therefore accumulated acquisition costs of \$775,894 have been written off as at September 30, 2019.

EAST PRESTON PROJECT – Athabasca Basin, Canada

As at September 30, 2019, the Company incurred total acquisition costs of \$1,683,895 (September 30, 2018 - \$1,383,895) pursuant to an option agreement to acquire a 70% interest in the East Preston Project.

The East Preston project is part of the formerly larger Preston Project explored by Skyharbour, and its predecessor partners. In excess of \$4.7 million has been spent on the Preston uranium project to date, including ground gravity, airborne and ground electromagnetics, radon, soil, silt, biogeochem, lake sediment, and geological mapping surveys, as well as two exploratory drill programs. Fifteen high-priority drill target areas associated with six prospective exploration corridors have been successfully delineated at Preston through methodical, multiphased exploration work. AREVA has recently optioned the adjacent Preston Project for up to \$7.3 million in exploration expenditures, highlighting the exploration prospectivity of the area.

The East Preston project currently under Azincourt Option, has had extensive regional exploration work completed in 2013 and 2014, including: airborne electromagnetic (VTEM), magnetic and radiometric surveys. Three prospective conductive, low magnetic signature

corridors have been discovered on the property. The three distinct corridors have a total strike length of over 25 km, each with multiple EM conductor trends identified.

Ground prospecting and sampling work completed to date has identified outcrop, soil, biogeochemical and radon anomalies, which are key pathfinder elements for unconformity uranium deposit discovery.

Only one of the corridors has been successfully drill tested to date, intersecting structurally disrupted graphitic metasedimentary rocks at the Swoosh S6 target using a combination of Horizontal Loop EM (HLEM) and gravity as primary targeting tools.

Azincourt has acquired all historical airborne electromagnetic, magnetic and radiometric data as well as the ground gravity and electromagnetic raw data on the project and has engaged an external geophysical consultant for interpretation, target generation and follow-up survey planning. This work will be completed by the end of August.

Azincourt completed a winter 2018 exploration program aimed at generating new drill targets within the previously untested corridors and refining additional targets along the Swoosh corridor. The proposed work included additional 50 line-km of line cutting, ground electromagnetic survey work (HLEM) and ground gravity planned on new grids established over the prospective airborne VTEM conductive trends. The winter 2018 ground geophysical program commenced in January 2018, following the grant of Exploration Work and Temporary Camp Permits from the Saskatchewan Ministry of the Environment. The Linecutting, HLEM and Gravity survey work was completed February 14th and the camp and crew demobilized. Survey data has been interpreted by Lawrence Bzdel, P.Geo., a highly experienced consulting geophysicist and prioritized drill targets have been generated for future testing.

A helicopter-borne Versatile Time-Domain Electromagnetic (VTEM™ Max) and Magnetic survey initially planned for mid-December 2018 was completed in January-February 2019 over the southeastern portion of the East Preston Project to complete VTEM survey coverage over the entire project area. The VTEM survey data was interpreted by Bingham Geoscience, highly experienced Saskatchewan-based consultants. The geophysical survey results and interpretation has generated additional conductor corridors and trends that represent quality drill targets which now provides the ability to assess and evaluate the prospectivity of the entire project.

The 2019 winter drill program was managed by TerraLogic Exploration Inc. and co-planned with Azincourt management and consultants. The program commenced in late February 2019 with road building and mobilization. The sudden onset of spring required shifting from entirely overland-supported drilling to helicopter-supported drilling based out of Bolton Lake Wilderness retreat, which severely impacted the extent of the program due to budget constraints.

Drilling commenced in mid-March with the program consisting of three inclined diamond drill holes targeting three areas along the Main and M1 conductor trend, with a total of 552 m drilled.

All drill holes intersected at least two intervals of graphitic pelitic gneiss/schist, sufficiently explaining the HLEM and VTEM conductors targeted. The graphitic rocks intersected in two drill holes were primarily stratigraphic with little associated structural disruption. The third drill hole intersected moderate to strong structural upgrading within the upper graphitic-pyritic unit encountered. Anomalous radioactivity was observed immediately in the hanging wall upper contact of this graphitic fault interval associated with partial melt pegmatite.

This initial drill campaign confirmed the prospectivity of the East Preston project. Basement lithologies and graphitic structures intersected in drilling are very similar, and appear analogous to the Patterson Lake South-Arrow-Hook Lake/Spitfire uranium deposit host rocks and setting. Trace element geochemistry from East Preston drill core sampling shows anomalous results for basement-hosted unconformity uranium deposit pathfinder elements: Ni, Co, Cu, Zn and As associated with graphitic intervals. Graphitic rocks hosting uranium mineralization are often associated with Ni-Co-As; Cu and Zn sulphides in anomalous, to substantial quantities. The presence of these pathfinder elements adds additional information and will enhance vectoring towards the most prospective areas of the conductor systems.

A winter 2019-20 drill program is currently being scoped, with estimated 2,000-2,500 m diamond drill program being planned and permitted.

LITHIUM PROJECTS – Manitoba, Canada

As at September 30, 2019, the Company has incurred total acquisition costs of \$228,603 (September 30, 2018 - \$228,603) and additional exploration costs to acquire its interest.

The agreement covers the Lithium One, Lithium Two, Catlake Project, Lithman West, Lithman East and Lithman North projects. The land package included in this agreement represents the largest mineral claim holdings (~6000 hectares) of projects for the lithium group or type of minerals in the Bird River Greenstone Belt, which contains the Winnipeg River Pegmatite Field.

Pursuant to terms of the Option, the Company can acquire a fifty percent (50%) interest in the Projects by: (i) completing a series of cash payments totaling \$200,000 over an eighteen-month period, (ii) issuing 1,750,000 common shares over a thirty-six-month period, and (iii) completing a minimum of \$2,750,000 of exploration expenditures on the Projects prior to August 31, 2020. Once the Company has acquired this interest, it can acquire a further ten percent (10%) interest in the Projects by completing the issuance of a further 1,000,000 common shares, and incurring further exploration expenditures of at least \$750,000 prior to October 31, 2021. The remaining forty percent (40%) interest in the Projects can be acquired by completing the issuance of a further 1,000,000 common shares, and incurring expenditures of at least \$1,000,000 prior to October 31, 2022.

Once the Company has acquired a one-hundred percent (100%) interest in the Projects, it will grant to the Optionor a two percent (2%) net smelter returns royalty on commercial production from the Projects. In addition, the Projects are subject to an existing one percent (1%) royalty on lithium production from the Projects which can be purchased for a one-time cash payment of \$250,000.

The Company is currently negotiating new payment terms with NAM.

The Winnipeg River Pegmatite Field is host to numerous lithium-rich pegmatites in addition to the world-class Tanco Pegmatite, a highly fractionated lithium-cesium-tantalum (LCT) type pegmatite that has been mined at the Tanco Mine since 1969 in varying capacities for spodumene (a major rock unit for lithium (Li)), tantalum (Ta), cesium (Cs), rubidium (Rb), and beryllium (Be) ores.

Exploration work was scheduled to begin in late March to early April, but due to a late spring and late granting of work permits, and field program was delayed until late May. The field

program includes detailed mapping of known pegmatite outcroppings on the Lithium One and Lithium Two projects. This will be followed immediately by a comprehensive chip sampling program designed to prioritize targets for the initial drill programs anticipated at both properties during the latter part of summer. A fractionation study of the feldspars and micas of the pegmatites at the Lithman North and Lithman East Projects will be carried out to better understand how evolved the large pegmatite system may be.

The Lithium Two Project, adjacent to Quantum Minerals Corp Cat Lake Lithium Project (aka Irgon Lithium Mine), includes an historical estimate* from the 1947 drilling of the Eagle Pegmatite that defined 545,000 tonnes of 1.4% Li₂O, drilled to a depth of 60 meters. Field work in 2016 confirmed that the Eagle and FD5 Pegmatites contained significant surface spodumene. The Eagle Pegmatite is approximately 1100 meters in length, up to 12 meters wide and open to depth.

* Note: The mineral reserve estimate cited above as part of the Lithium Two project is presented as a historical estimate which does not conform to current NI43-101 standards. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources or mineral reserves. Although the historical estimates are believed to be based on reasonable assumptions, they were calculated prior to the implementation of National Instrument 43-101 standards. These historical estimates therefore do not meet current standards as defined under sections 1.2 and 1.3 of NI 43-101; consequently, the issuer is not treating the historical estimate as current mineral resources or mineral reserves.

12 samples collected in 2016 returned a range of 0.02% to 3.04% Li₂O from the Eagle Pegmatite, and up to 2.08% Li₂O from the FD5 Pegmatite. Select sampling will concentrate on the Eagle and FD5 pegmatites at Lithium Two, and on the Silverleaf Pegmatite at the Lithium One Project, which returned values as high as 4.33% Li₂O in the 2016 exploration program.

ELC PROJECT – Peru

As at September 30, 2019, the Company has incurred total acquisition costs of \$464,750 (September 30, 2018 - \$464,750).

On September 5, 2018, and amended October 16, 2019, the Company entered into an option agreement with 1177865 BC Ltd. (“Property Owners”) whereby the Company may acquire an undivided 100% interest in the Escalera (“ELC”) project, located in Peru, by paying an aggregate of \$700,000 in staged cash payments, issuing 11,000,000 common shares, and incurring an aggregate of \$3,000,000 of staged expenditures.

The ELC project consists of three concessions (Lituania, Condorlit, Escalera) covering a combined area of 7,400 hectares of prospective exploration targets for volcanic hosted supergene/surficial uranium and lithium on the Picotani Plateau, Puno, Peru. Located in a mineral-rich district where mining giants like Minsur and Rio Tinto operate, as well as growing mid-tiers and juniors like Bear Creek Mining and Plateau Energy Metals. Surface rock samples obtained in 2017 from the ELC project were processed by ALS Minerals, in Lima, Peru, and returned values of up to 3,560 ppm uranium and 153 ppm lithium. Historical samples taken from the ELC project have yielded values up to 6,812 ppm uranium.

In 2018 Azincourt initiated first phase ground work that included detailed reconnaissance to locate favourable outcroppings and known host rock formations, focused ground radiometric geophysical surveys using hand portable scintillometers to test for elevated radioactivity at

surface, and a comprehensive channel sampling program. Sampling at the priority ELC project has identified two new prospective uranium areas measuring an estimated combined 6.5 kilometers. Rock grab samples yielded highlight laboratory results of up to 8,061 ppm uranium (0.95% U₃O₈). Additional highlight samples return 6,812 ppm, 6,126 ppm, 3,560 ppm and 3,438 ppm uranium. 11 rock samples reporting above 1,000-ppm uranium (0.12% U₃O₈)*.

* Rock grab samples are selective by nature and do not necessarily represent average grades on the property

QUALIFIED PERSON

The technical information respecting Patterson Lake and East Preston, in this MD&A, has been prepared in accordance with the Canadian regulatory requirements set out in National Instrument 43-101 and reviewed on behalf of the company by Terrence O'Connor, P.Geo., director of Azincourt Energy Corp., a qualified person.

The technical content with respect to the lithium exploration projects has been reviewed and approved by Mr. Carey Galeschuk, P. Geo., principal consulting geoscientist for New Age Metals and a Qualified Person, as defined by National Instrument 43-101.

The technical information regarding the ELC project has been reviewed by Michael Moore (P. Geo.). Mr. Moore is a Qualified Person ("QP") as defined in the "Canadian Institute of Mining, Metallurgy and Petroleum, CIM standards on Mineral Resources and Reserves" and NI 43-101.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company did not have significant revenue from operations, the following is a breakdown of the material costs capitalized at September 30, 2019 or incurred during the years ended September 30, 2019, 2018 and 2017:

	2019	2018	2017
Capitalized mineral acquisition costs	\$2,377,248	\$2,853,142	\$1,233,895
Expensed mineral exploration costs	\$1,150,828	\$521,321	\$1,650
General and administrative expenses	\$1,461,283	\$1,723,768	\$715,684
Any material costs (capitalized, deferred or expensed) not referred to above:			
Share-based compensation	\$7,000	\$291,000	\$100,000

SUMMARY OF QUARTERLY RESULTS

The following is a summary of the Company's quarterly for the previous eight quarters:

	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Expenses (Recovery)	\$329,766	\$682,524	\$1,166,883	\$439,938	\$417,310	\$485,620	\$1,183,262	\$449,897
Loss (income) for the period	\$322,943	\$1,429,753	\$1,145,387	\$437,848	\$413,882	\$481,718	\$1,115,928	\$449,397
Weighted average shares outstanding	108,204,439	132,626,572	77,754,421	73,259,511	61,093,142	68,130,319	63,006,158	43,726,567
Loss (earnings) per share	\$0.00	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.01
Mineral property acquisition costs	-	\$300,000	-	-	\$583,353	-	\$250,000	\$10,000
Mineral property interests write-off	-	\$775,894	-	-	-	-	-	-
Mineral property exploration costs	\$36,535	\$341,691	\$636,446	\$136,156	\$98,396	\$154,627	\$250,898	\$17,400

The Company's operating losses are due to ongoing mineral exploration and general and administrative costs, such as management, consulting, legal, accounting and audit incurred during the process of managing the Company's operations and to ensure regulatory compliance and can vary from quarter to quarter based on planned exploration activities, resource constraints, and share-based compensation.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of the date of this MD&A, the Company had 151,921,844 shares outstanding. The following table summarizes maximum number of common shares outstanding as at September 30, 2019 and as of the date of this MD&A if all outstanding options and warrants were exercised to purchase common shares:

	September 30, 2019	As of the date of this MD&A
Common shares	144,321,844	151,921,844
Warrants to purchase common shares	65,073,193	65,073,193
Options to purchase common shares	3,680,000	5,480,000
	213,075,037	222,475,037

SELECTED ANNUAL INFORMATION

	2019	2018	2017
	\$	\$	\$
Revenue	Nil	Nil	Nil
Loss and comprehensive loss for the year	3,335,931	2,460,925	805,334
Loss per common share, basic and diluted	0.03	0.04	0.04
Weighted average number of common shares outstanding	108,204,439	61,093,142	21,433,359
Statement of Financial Position Data			
Working capital (deficit)	1,523,882	998,371	518,718
Total assets	3,971,774	3,944,360	2,662,154
Dividends paid	Nil	Nil	Nil

RESULTS OF OPERATIONS

Year ended September 30, 2019 (“2019”) compared with year ended September 30, 2018 (“2018”).

The loss for the year ended September 30, 2019 was \$3,335,931, compared with \$2,460,925 for the year ended September 30, 2018. The increase in the loss from 2018 to 2019 was mainly due to an increase in consulting and directors’ fees, exploration and evaluation expenditures, write-off of mineral property interests, offset by a decrease in marketing, conferences and share-based compensation expense. Major differences are explained as follows:

- Consulting and directors’ fees increased from \$531,000 in 2018 to \$710,049 in 2019. The increase is due to an increase in fees paid to the Company’s management team as well as an increase in consulting services relating to business development;
- Exploration and evaluation expenditures increased from \$521,321 in 2018 to \$1,150,828 in 2019. During 2019, the Company increased exploration expenditures on the East Preston and ELC Projects;
- Marketing, conferences and shareholder relations decreased from \$853,001 in 2018 to \$464,180 in 2019. The decrease is due to decreased marketing and branding efforts to promote the Company’s properties; and
- Share-based compensation expense decreased from \$291,000 in 2018 to \$7,000 in 2019. During 2018, the Company issued 2,410,000 stock options to directors, officers and consultants. During 2019, the Company issued 400,000 stock options to consultants.

Three months ended September 30, 2019 (“Q4 2019”) compared with the three months ended September 30, 2018 (“Q4 2018”).

The loss for the quarter ended September 30, 2019 was \$322,943, compared with \$387,811 for the quarter ended September 30, 2018. The decrease in the loss from Q4 2018 to Q4 2019

was mainly due to a decrease in consulting and directors' fees and exploration and evaluation expenditures, offset by an increase in property investigation costs. Major differences are explained as follows:

- Consulting and directors' fees decreased from \$139,500 in Q4 2018 to \$87,000 in Q4 2019. The decrease is due increased third party business and market advisory services used during Q4 2018;
- Exploration and evaluation expenditures decreased from \$98,396 in Q4 2018 to \$36,535 in Q4 2019. The decrease was due to less exploration activities in Q4 2019; and
- Property investigation costs increased from \$Nil in Q4 2018 to \$61,000 in Q4 2019. During 2019, the Company incurred management and consulting fees exploring new properties.

LIQUIDITY AND CAPITAL RESOURCES

The Company's ability to meet its obligations and its ability to finance exploration and development activities depends on its ability to generate cash flow through the issuance of common shares pursuant to private placements, the exercise of warrants and stock options or through the issuance of debt. There are no assurances that the Company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities.

Working Capital

As of September 30, 2019, the Company's working capital was \$1,523,882, compared with \$998,371 as at September 30, 2018. The increase in working capital was a result an increase in cash from private placements that closed during the current year and exercise of warrants offset by cash spent on operating expenses and exploration and evaluation expenditures.

Cash

On September 30, 2019, the Company had \$1,514,708 of cash, compared with \$850,168 of cash on September 30, 2018. Cash was mostly spent on consulting and directors' fees, exploration and evaluation expenditures, marketing, conferences and shareholder relations and acquisition costs relating to the East Preston Project. The Company also received net proceeds of \$3,099,548 from issuance of shares during the current year.

Cash Used in Operating Activities

Cash used in operating activities during the year ended September 30, 2019 was \$2,235,008. Cash was mostly spent on consulting and directors' fees, exploration and evaluation expenditures, and marketing, conferences and shareholder relations. Cash used in operating activities during the year ended September 30, 2018 was \$2,301,568. Cash was mostly spent on consulting and directors' fees, exploration and evaluation expenditures, and marketing, conferences and shareholder relations.

Cash Used in Investing Activities

Cash used in investing activities during the year ended September 30, 2019 was \$200,000 (2018: \$429,603). During the year ended September 30, 2019, the Company paid \$200,000 of acquisition costs relating to the East Preston property. During the year ended September 30, 2018, the Company paid \$150,000 of acquisition costs relating to the East Preston property, \$114,853 relating to the Lithium projects and \$164,750 relating to the ELC project.

Cash Generated by Financing Activities

During the year ended September 30, 2019, the Company received gross cash proceeds of \$3,276,496 from private placements, spent \$267,781 of costs associated with the private placement, and received \$90,833 for exercise of warrants. During the year ended September 30, 2018, the Company received gross cash proceeds of \$1,830,000 from two private placements and spent \$133,618 of costs associated with the private placements. The Company also received \$18,000 from the exercise of options and \$1,364,799 from the exercise of warrants during the 2018 fiscal year.

Requirement of Additional Equity Financing

The Company relies primarily on equity financings for all funds raised to date for its operations. The Company needs more funds to finance its ongoing operating costs. During the year ended September 30, 2019, the Company raised \$3,099,548 in net proceeds from financing. Until the Company starts generating profitable operations from extraction of minerals and precious metals, the Company intends to continue relying upon the issuance of securities to finance its operations and acquisitions. There are no assurances that the Company will continue to obtain additional financial resources and/or achieve positive cash flows or profitability. If the Company is unable to obtain adequate additional financing, the Company will be required to curtail operations and exploration activities.

PROPOSED TRANSACTIONS

The Company continues to evaluate new opportunities to expand its exploration project portfolio, however, there are no proposed transactions as at the date of this report.

OFF BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

Related parties include the Board of Directors, Executive Officers and any companies owned or controlled by them.

Compensation of Key Management Personnel

Key management personnel consist of current and former directors and senior management including the Chief Executive Officer and Chief Financial Officer. Key management personnel compensation for the year ended September 30, 2019 and 2018 includes:

Name of related party	Nature of transactions	Years ended September 30	
		2019	2018
0949570 BC Ltd.	Consulting and directors' fees	\$ 142,500	\$ 120,000
TKLD Geological Inc.	Exploration and evaluation expenditures	18,000	20,000
Promaco Limited	Consulting and directors' fees	-	32,500
Westview Consulting Ltd.	Consulting and directors' fees	7,500	30,000
Westview Consulting Ltd.	Exploration and evaluation expenditures	22,500	-
VC Consulting Corp.	Consulting and directors' fees	18,000	18,000
Total		\$ 208,500	\$ 220,500

During the year ended September 30, 2019, the fair value of share-based compensation expense for options issued to related parties was \$Nil (2018: \$99,043).

The accounts payable and accrued liabilities of the Company include amounts due to related parties. The amounts owing are interest free, unsecured, current and without fixed terms and are as follows:

	September 30, 2019	September 30, 2018
Key management personnel	\$ 30,450	\$ 1,575

PLAN OF OPERATIONS AND FUNDING

The Company's plan of significant operations for the next twelve months is as follows:

- to complete and continue with the acquisition of the 70% interest in the East Preston property; and
- to complete and continue with the acquisition of the 50% interest in the Manitoba property; and
- to investigate other prospective projects.

To finance the above plans, the Company completed a private placement in January 2018 of \$1,655,000, in December 2018 of \$299,020, in February 2019 of \$863,600, in March 2019 of \$352,650, in April 2019 of \$1,221,226 and in May 2019 of \$540,000.

FINANCIAL INSTRUMENTS

The classification of the financial instruments as well as their carrying values as at September 30, 2019 is shown in the table below:

Cash and receivables	\$ 1,534,199
Financial liabilities measured at amortized cost	\$ 70,644

The Company has classified fair value measurements of its financial instruments using a fair value hierarchy that reflects the significance of inputs used in making the measurements as follows:

Level 1: Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Valuations based on directly or indirectly observable inputs in active markets for similar assets or liabilities, other than Level 1 prices, such as quoted interest or currency exchange rates; and

Level 3: Valuations based on significant inputs that are not derived from observable market data, such as discounted cash flow methodologies based on internal cash flow forecasts.

The fair value of cash, amounts receivable, and accounts payables and accrued liabilities approximates their carrying value due to their short-term maturity. Cash is measured using Level 1 of the fair value hierarchy.

The Company is exposed to potential loss from various risks including commodity price risk, credit risk, liquidity risk and interest rate risk. These risks are described in more details in Risk and Uncertainties section of this MD&A.

RISK AND UNCERTAINTIES

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors: management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfil the Company's obligations under any applicable agreements. Other risks and uncertainties include:

Competitive industry

The mining industry is intensely competitive and the Company will compete with other companies that have far greater resources.

Exploration risks

Mineral exploration is highly speculative in nature. The Company's exploration projects involve many risks, and success in exploration is dependent upon a number of factors including, but not limited to, quality of management, quality and availability of geological expertise and availability of exploration capital. The Company cannot give any assurance that its future exploration efforts will result in the discovery of mineral resources or mineral reserves.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of precious any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent years, the securities markets in the United States and Canada have experience a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

The following are risks related to the Company's financial instruments:

(i) Credit Risk – Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and amounts receivable. Cash is held with a major Canadian financial institution and the receivables are from Government entities. Management is of the view that these amounts are fully collectible.

(ii) Liquidity Risk – Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations out of cash. The ability to do this relies on the Company raising equity financing in a timely manner and by maintaining sufficient cash in excess of anticipated needs. The Company's financial obligations are limited to accounts payable and accrued liabilities, all of which have contractual maturities of less than a year. The Company is also required to incur certain expenditures related to flow-through shares. The Company is subject to liquidity risk.

(iii) Interest Rate Risk – Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. If interest rates decrease, the Company will generate smaller interest income. Presently, the Company is not at risk of realizing a loss as a result of a decline in the fair value of its financial instruments as the Company has no interest-bearing debt and due to the short-term nature of cash investments.

(iv) Commodity Price Risk - The Company's future success is linked to the price of minerals, because the value of mineral resources is tied to prices of minerals. Worldwide production levels also affect the prices. The prices of minerals are occasionally subject to rapid short-term changes due to speculative activities.

CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders, and to bring its resource properties to commercial production.

The Company depends on external financing to fund its activities. The capital structure of the Company currently consists of common shares, stock options and share purchase warrants. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets, being resource

properties. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, or sell assets to fund operations. Management reviews its capital management approach on regular basis. The Company is not subject to externally imposed capital requirements.

The Company invests all capital that is surplus to its immediate operational needs in short-term, liquid and highly-rated financial instruments, such as cash, which is held with a major financial institution.

RECENT ACCOUNTING PRONOUNCEMENTS

The following standards and amendments to existing standards have been adopted by the Company effective October 1, 2018:

IFRS 9 Financial Instruments – The Company retrospectively adopted IFRS 9. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. Prior periods were not restated and there was no material impact to the Company's financial statements as a result of transitioning to IFRS 9. IFRS 9 introduced a revised model for classification and measurement, and while this has resulted in financial instrument classification changes, there were no quantitative impacts from adoption. Cash has changed classification from FVTPL to amortized cost. The carrying value is equal to its fair value given the short-term nature of the asset, therefore, there is no change in the carrying value as a result of the change in classification. There are no transitional impacts regarding financial liabilities in regards to classification and measurement.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets given the nature of the items and that receivables are substantially all current and there is a minimal level of default.

IFRS 15 Revenue from Contracts with Customers – establishes principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. There was no impact on the financial statements as a result of adopting this standard.

The following standards, amendments to standards and interpretations have been issued but are not effective for annual periods beginning on or after January 1, 2019:

IFRS 16 Leases – This standard sets out the principles for recognition, measurement, presentation, and disclosure of leases including guidance for both parties to a contract, the lessee and the lessor. It eliminates the classification of leases as either operating or finance leases as is required by IAS 17 and instead introduces a single lessee accounting model. The Company has determined the impact of this new standard will be increased disclosure.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements, other than statements of historical fact, may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "propose", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking

statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this MD&A should not be unduly relied upon by investors as actual results may vary. These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this MD&A contains forward-looking statements, pertaining to the following: capital expenditure programs, development of resources, treatment under governmental regulatory and taxation regimes, expectations regarding the Company's ability to raise capital, expenditures to be made by the Company to meet certain work commitments, and work plans to be conducted by the Company.

With respect to forward-looking statements listed above and contained in this MD&A, the Company has made assumptions regarding, among other things: the legislative and regulatory environment, the impact of increasing competition, unpredictable changes to the market prices for minerals, that costs related to development of mineral properties will remain consistent with historical experiences, anticipated results of exploration activities, and the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth in this MD&A: volatility in the market prices of minerals, uncertainties associated with estimating resources, geological problems, technical problems, exploration problems, processing problems, liabilities and risks including environmental liabilities and risks inherent in the exploration and mining, fluctuations in currency and interest rates, incorrect assessments of the value of acquisitions, unanticipated results of exploration activities, competition for capital, competition for acquisitions of reserves, competition for undeveloped lands, competition for skilled personnel, political risks and unpredictable weather conditions.

ADDITIONAL INFORMATION

For further detail, see the Company's financial statements for the years ended September 30, 2019 and 2018. Additional information about the Company can also be found on www.sedar.com.

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