



War Eagle

Mining Company Inc.

WAR EAGLE MINING COMPANY INC.

Management's Discussion and Analysis

For The Year Ended March 31, 2018

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Management's Discussion and Analysis

This management's discussion and analysis ("MD&A") of financial position and results of activities is prepared as at July 27, 2018 and should be read in conjunction with the audited consolidated financial statements of War Eagle Mining Company Inc. (the "Company" or "War Eagle") for the 12 months ended March 31, 2018 and the related notes.

The Company's audited consolidated financial statements for the year ended March 31, 2018 have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations of the International Financial Reporting Standards Interpretations Committee. All dollar amounts included in this MD&A are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on the Company's SEDAR profile at www.sedar.com.

Forward Looking Statements

Certain statements contained in this MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Incorporation and Organization of the Company

The Company was incorporated under the laws of British Columbia on March 6, 1984. The Company's shares trade on the TSX Venture Exchange ("TSX-V") under the symbol "WAR". The Company's head office is located at Suite 1100 – 1111 Melville Street, Vancouver, British Columbia, Canada, V6E 3V6, its registered office at Suite 700 - 595 Burrard Street, Vancouver, British Columbia, Canada, V7X 1S8 and its operations office at 25 Adelaide Street East, Suite 1400, Toronto, Ontario, Canada, M5P 3A1 as of June 1, 2018.

War Eagle has two wholly-owned subsidiaries, Champagne Resources Inc. (formerly Andromeda Resources Inc. ("Andromeda")), an Ontario corporation and RD Minerals S.A. de C.V., a Mexican registered company. War Eagle is proposing to change its name to Warrior Gold Inc., which change will be implemented at its annual meeting of shareholders to be held on September 5, 2018.

Company Overview

War Eagle is engaged in the acquisition, exploration and, if warranted, development of mineral properties in mine friendly jurisdictions in the Americas with a current focus on precious metal properties in Ontario, Canada. The Company's main property, Goodfish Kirana, is located five kilometres north of Kirkland Lake, Ontario in Morrissett, Bernhardt, Teck and Lebel townships within the Larder Lake Mining Division. The Goodfish Kirana property comprises 66 claims totaling 184 units, as well as 20 patented claims for a total of 3,296 hectares (8,145 acres) ("Goodfish Kirana", "Goodfish Kirana Project" or the "Property"). The Property has a strike length of 10 km of which 6 to 8 km host the Kirana Break, a significant geological break that is known to host gold mineralization. Historical work dates back to the early 1900's when high grade gold was first discovered on Goodfish Kirana by hand digging exploration pits and mine shafts. There are 12 historical mine shafts and pits on the Property and four adjacent to the southern boundary of the Property. The Fidelity Mine directly adjacent to the southeast boundary of the Property produced high grade gold in the late 1920's. The Property has never been fully explored by geologists due to fragmented historical land ownership.

War Eagle plans to technically advance the Goodfish Kirana Project with a Phase One Exploration program as summarized below under Outlook and also described in the Company's NI 43-101 technical report filed on SEDAR.

Corporate Developments

In August 2016, the Company entered into a new agreement with COMSA for the payment of US\$1,700,000, the balance of the US\$2,500,000 consideration for the sale of Tres Marias, where COMSA agreed to make payments every quarter starting on September 30, 2016, with the final payment on March 31, 2018.

In August 2016, War Eagle terminated the services of Thomas Atkins, the Company's former CEO, for non-performance. In October 2016, Thomas Atkins filed a lawsuit in the Supreme Court of Ontario for \$705,000 in damages. Subsequent to the year ended March 31, 2018, the Company settled all the claims including legal costs for \$210,000, of which \$30,000 was reimbursed by the insurance company.

On January 3, 2018, the Company announced that it had entered an agreement to amalgamate with Champagne Resources Limited, a private Ontario company that owned the Goodfish Kirana Project ("Champagne Resources"). Pursuant to an amalgamation agreement entered into on January 15, 2018, on February 9, 2018, War Eagle completed the amalgamation with Champagne Resources, through a "triangular amalgamation" whereby Champagne Resources merged with War Eagle's subsidiary Andromeda and War Eagle issued 21,990,276 common shares and 6,086,045 share purchase warrants to the former shareholders of Champagne Resources and stock options to purchase 1,215,659 common shares to former Champagne Resources directors and officers.

On July 19, 2018, the Company announced that it has completed the purchase of the Deloye Family Claims ("Deloye Claims" or "the Claims") located in the northeast corner of Teck and the northwest corner of Lebel townships, Ontario, 3.1 km north of the Kirkland Main Break.

The Deloye Claims land package consists of eight patented mining claims, a total of 122 ha, with mineral rights on all eight claims and surface rights on four of the eight, bringing the current Goodfish Kirana land package to 3,418 ha from 3,296 ha. These claims contain the old shafts and trenches of the historical Kirana Kirkland Lake Gold Mine "Kirana Kirkland Mine", which stopped production in 1936. The reported historical grades for the Kirana Kirkland Mine from the Ontario Department of Mines Vol.1 LVII include "narrow high-grade streaks of \$20 to \$150 per ton in gold. The 2018 estimated equivalent is between 30 g/t and 145 g/t.

Under the terms of the acquisition, War Eagle has agreed to:

- Pay to Diane Deloye ("Deloye"), the sum of \$155,000 upon the closing of the Transaction. The Company also agreed to pay the vendor's reasonable legal fees.
- Grant to Deloye a 1.5% royalty based on net smelter returns ("NSR" or "Royalty") on all mineral products produced from the Claims. The Company has the right to buy-down or buyback 1% of the NSR for \$1 million dollars as per terms of the NSR Agreement.

Outlook

Post the amalgamation with Champagne Resources in early February 2018, the Company undertook its Phase One exploration program focused on the Goodfish Kirana Project that included 45 km line cutting, ground geophysics (mag and VLF), 7 km of IP and 3D modelling of historical data from the Goodfish A zone. An airborne survey (Mag and VLF) covering the whole Property was flown in April 2018 and results were delivered in late May 2018. In connection with the Phase One exploration program, the Company received support under the Ontario Junior Exploration Assistance Program ("JEAP") providing for reimbursement of an estimated \$100,000 in expenditures.

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The exploration work on the Goodfish Project was designed to test three of four structural zones identified by previous work (NI43-101-Tom Setterfield, PhD. Geo. January 2, 2018). These holes were designed to verify and interpret the structure, lithology and pathfinder elements of the Kirana Deformation Zone (DDHs GK18-001 and 002), the Goodfish A Zone (DDH GK-003) and the Goodfish B Zone (GK18 -004 and 005) (Figure 1). Highlights from Phase One exploration diamond drilling include:

- All holes intersected mineralization which is, in general, structurally associated with the contacts of the Quartz Feldspar Porphyry dykes that are sheared. For the most part, the mineralization is associated with pyrite which is indicated by IP anomalies; and
- The Goodfish 'A' Zone/ Goodfish 1934 Mine returned the most interesting values of 1.20 g/t Au over 10.53 m in a halo of 0.87 g/t Au over 16.0 m (Figure 2).

Figure 1. Diamond drill hole location on Goodfish Patents with LiDAR base map

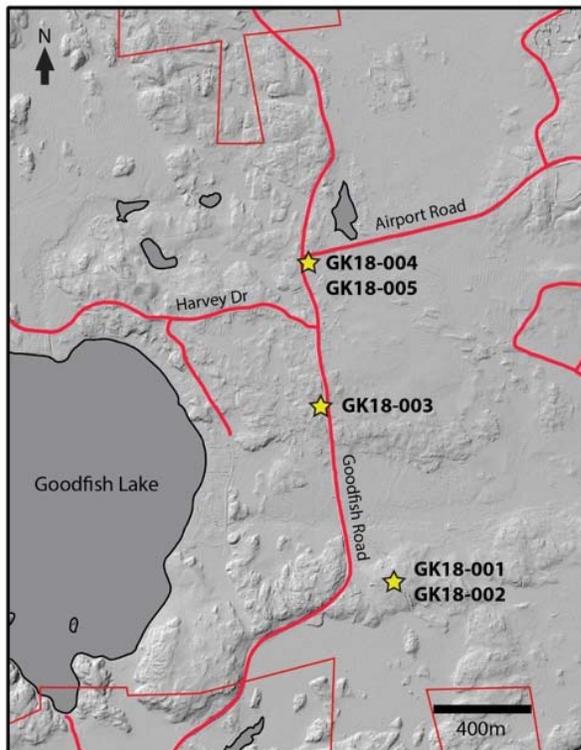
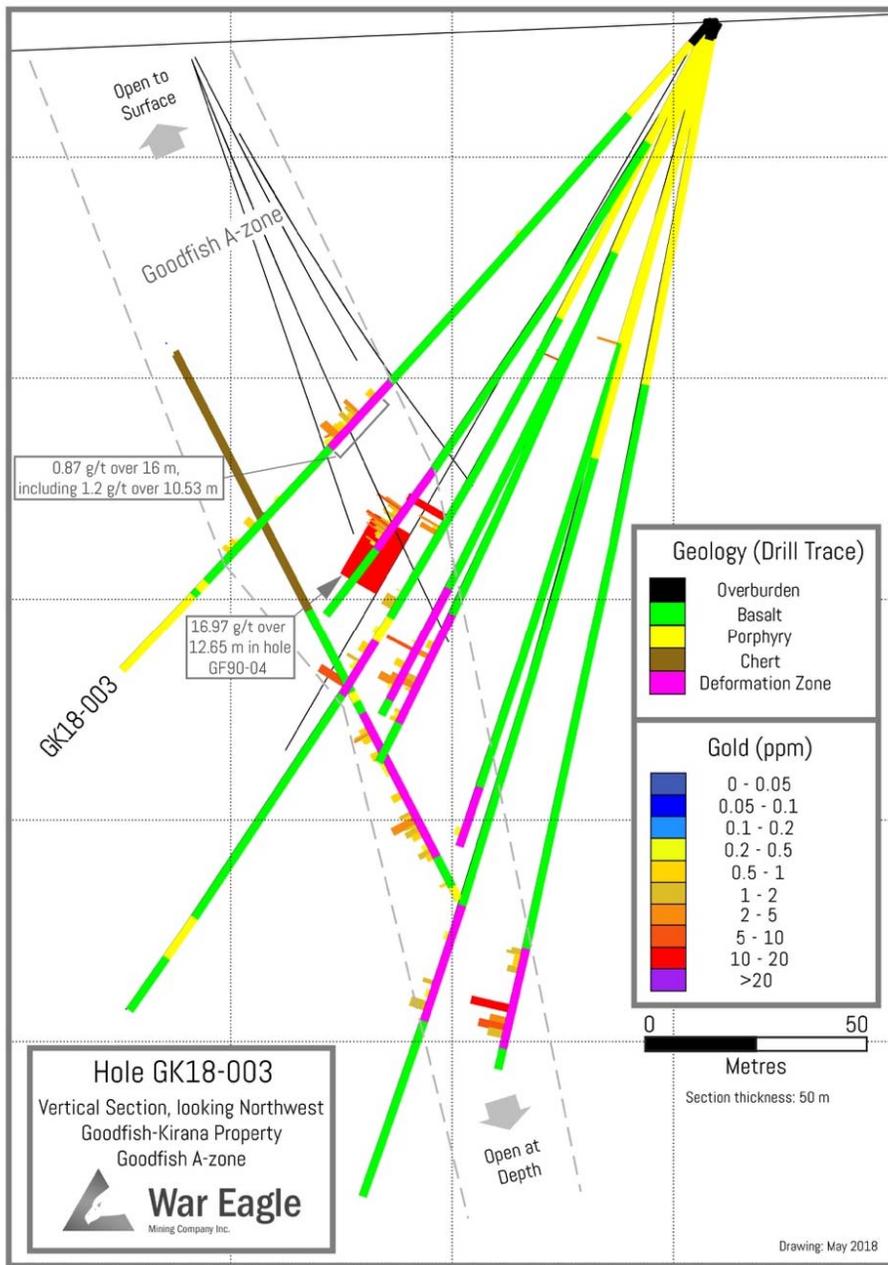


Figure 2. Section looking west of GK18-003, EOH197.1 m.



Geophysical Results

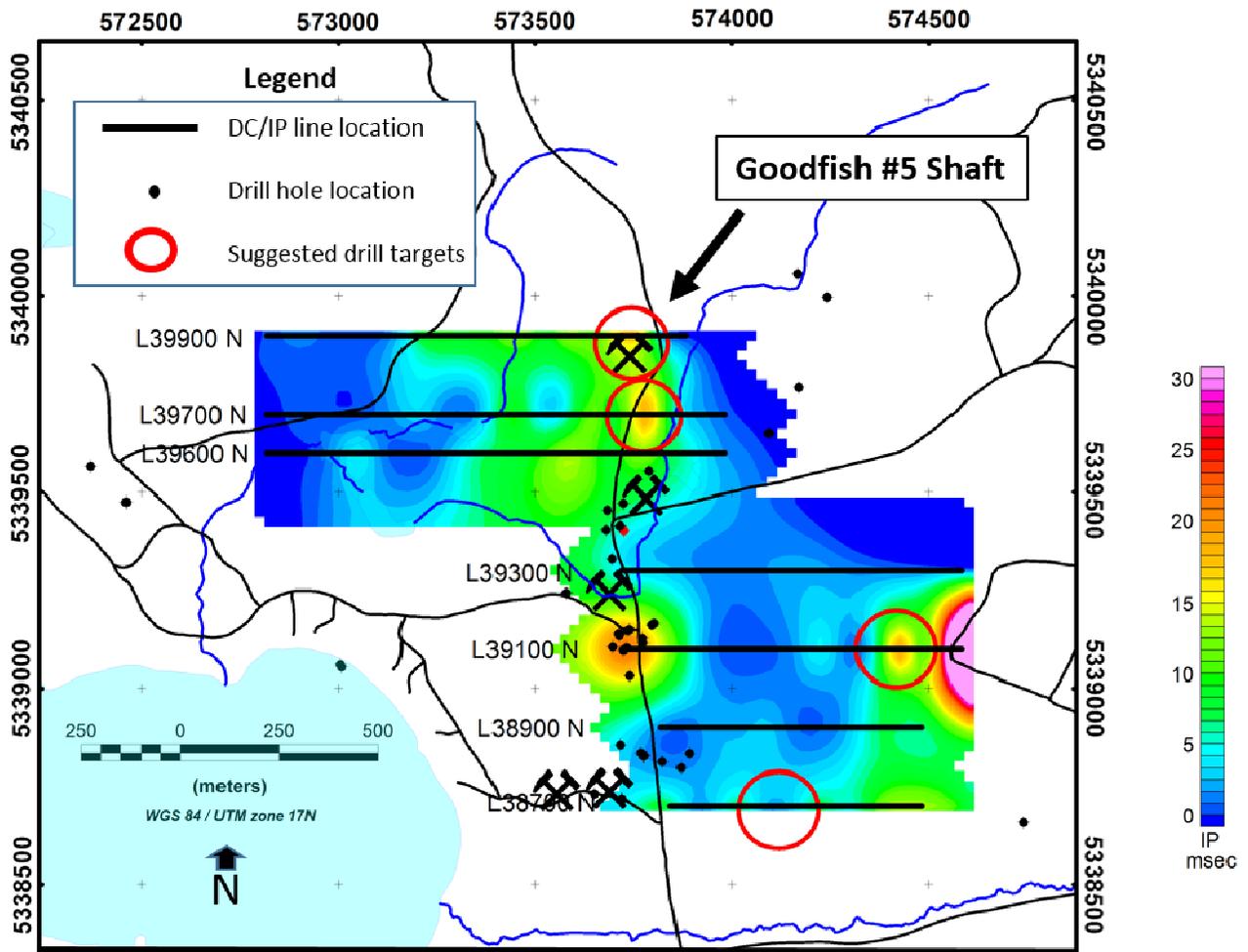
Results from the ground geophysical programs conducted over the Project area of the Goodfish Kirna block have been interpreted by Bill Doerner of SourceOne Geophysical and are summarized:

Results from the magnetic ground survey over the patents show a strong north-south orientation with high amplitude magnetic features that correspond to the prevalent strike direction of the mapped mafic rock

units (Figure 3). The north-south magnetic lineaments are disrupted by a series of NW-SE striking offsets that are interpreted to be important structural features.

- Multiple ground VLF conductive anomalies, also having a north-south orientation, were identified and show good correlation to areas of anomalous IP response and to areas of historic mining activity in the vicinity of the Goodfish #4 and #5 shafts. The VLF results may be indicating the extension of structures associated with mineralized zones.
- The IP survey results have identified five high chargeability anomalous zones interpreted to represent a response from mineralization in areas of known sulfide occurrences and several new locations. The high chargeability IP locations appear related to the NW-SE striking structural offsets present in the magnetic survey results, indicating that the structures may contain mineralization.
- An area of high chargeability has been identified on the west end of Line 39100N. The IP high is coincident with historic shallow-drilling of mineralization which will be further tested by War Eagle.

Figure 3. Geophysical interpretation map (1st Vertical Derivative Total Field Magnetics) with suggested future drill locations indicated.



- A high IP response occurs coincident with the Goodfish #5 shaft and extends south to the Goodfish #4 shaft. The IP response indicates that a zone of sulfide mineralization may extend for at least 300 m in a north-south orientation.
- The highest IP chargeability anomaly is present in the south-east section of the Patents block. The anomaly lies on the NW-SE structural break that connects to the Goodfish's #5-shaft anomalous IP zone. This IP anomaly suggests that the source is approximately 100 m deep and is open at depth and to the east. This target has not been drilled tested.

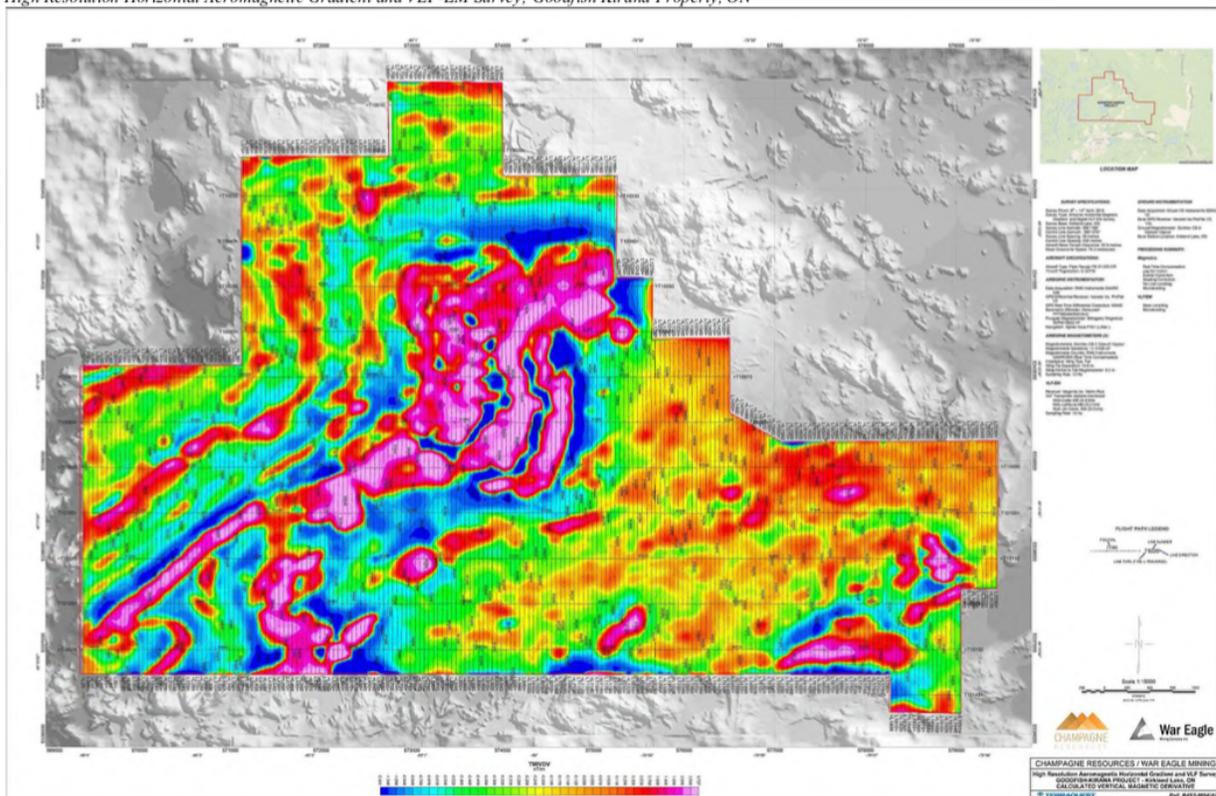
The review of the ground geophysical program recently completed on the Goodfish Project has indicated the presence of important structural features and several anomalous areas of high IP chargeability that represent ideal drill targets. Inversion of the historical IP data is underway in an effort to more accurately direct future drilling efforts.

The results of the recently completed 942 km airborne magnetic and VLF surveys (Figure 4) have been delivered and will be incorporated into the geophysical interpretation.

Figure 4. Goodfish Kirana airborne magnetic and VLF survey.

*Operations Report: CHAMPAGNE RESOURCES LTD. / WAR EAGLE MINING COMPANY INC.
High Resolution Horizontal Aeromagnetic Gradient and VLF-EM Survey; Goodfish Kirana Property, ON*

Contract: B453



Note: The original contractors for the 45 km IP commission for the Goodfish Patents quit two days after their arrival on the project citing ground conditions and ski doo traffic as a reason not to continue. As a result the Company was restricted to contracting work to CXS (Canadian Exploration Services) at late notice and hence only 7 km of IP was completed.

Ultimately, results from the exploration program will determine the focus of the late summer exploration program. In addition to the above field work, the Company analyzed 386 drill core samples from a drilling

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program that was undertaken in late 2016 by Champagne Resources on the Link claims. This drilling was a requirement for 100% ownership of the Link claims and drill holes were selected to follow up and target historical work.

On July 19, 2018 War Eagle purchased the Deloye Family Claims ("Deloye Claims" or "the Claims") located in the northeast corner of Teck and the northwest corner of Lebel townships, Ontario, 3.1 km north of the Kirkland Main Break. Figure 5 and 6, illustrate the contiguousness of the claims to the Goodfish Kirana Property, as well as the location of the historical workings, including the location of the historical Kirana Kirkland Mine Shaft 1, as well as the intersection of the major structures.

Figure 5. - Property Scale Map with new Deloye Claims and the Goodfish Kirana Property.

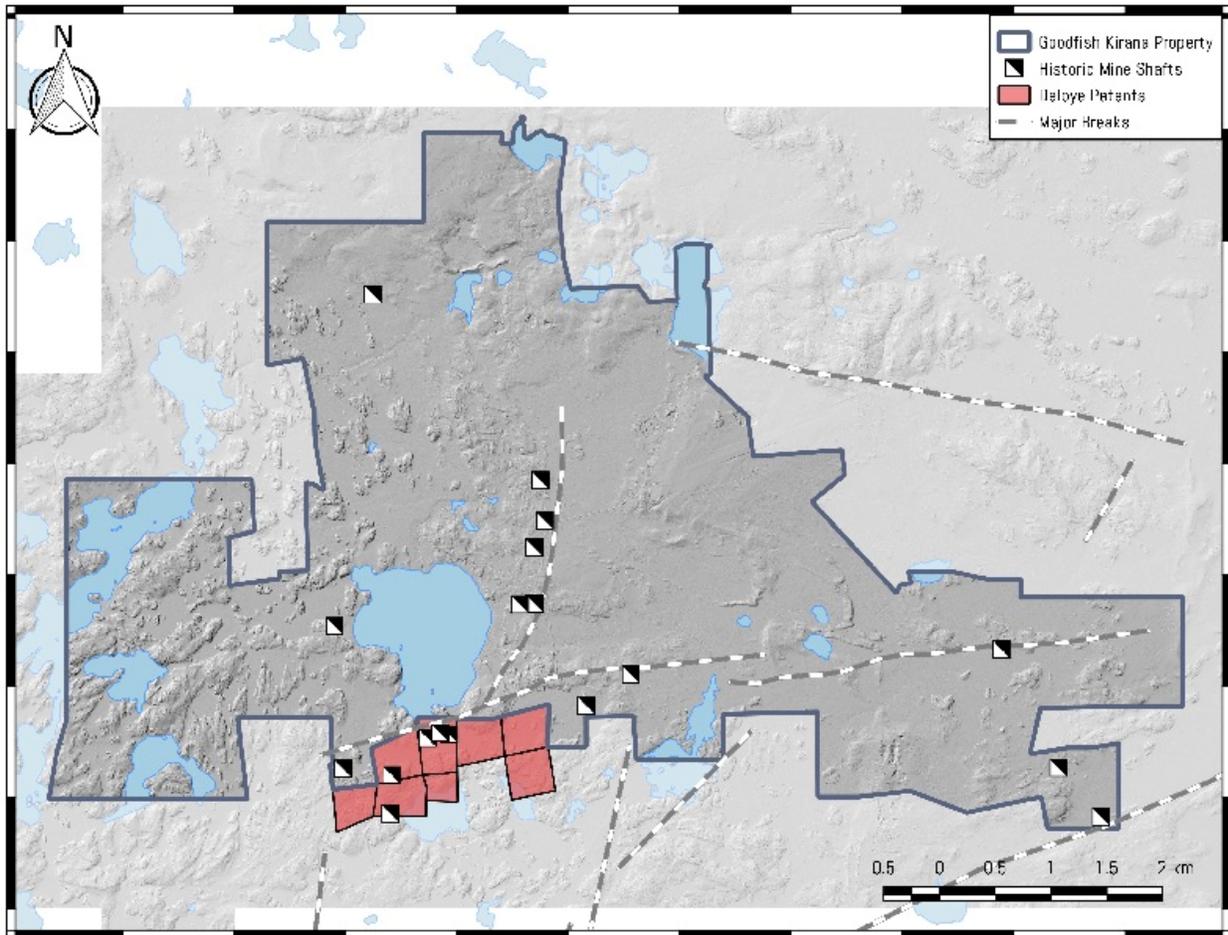
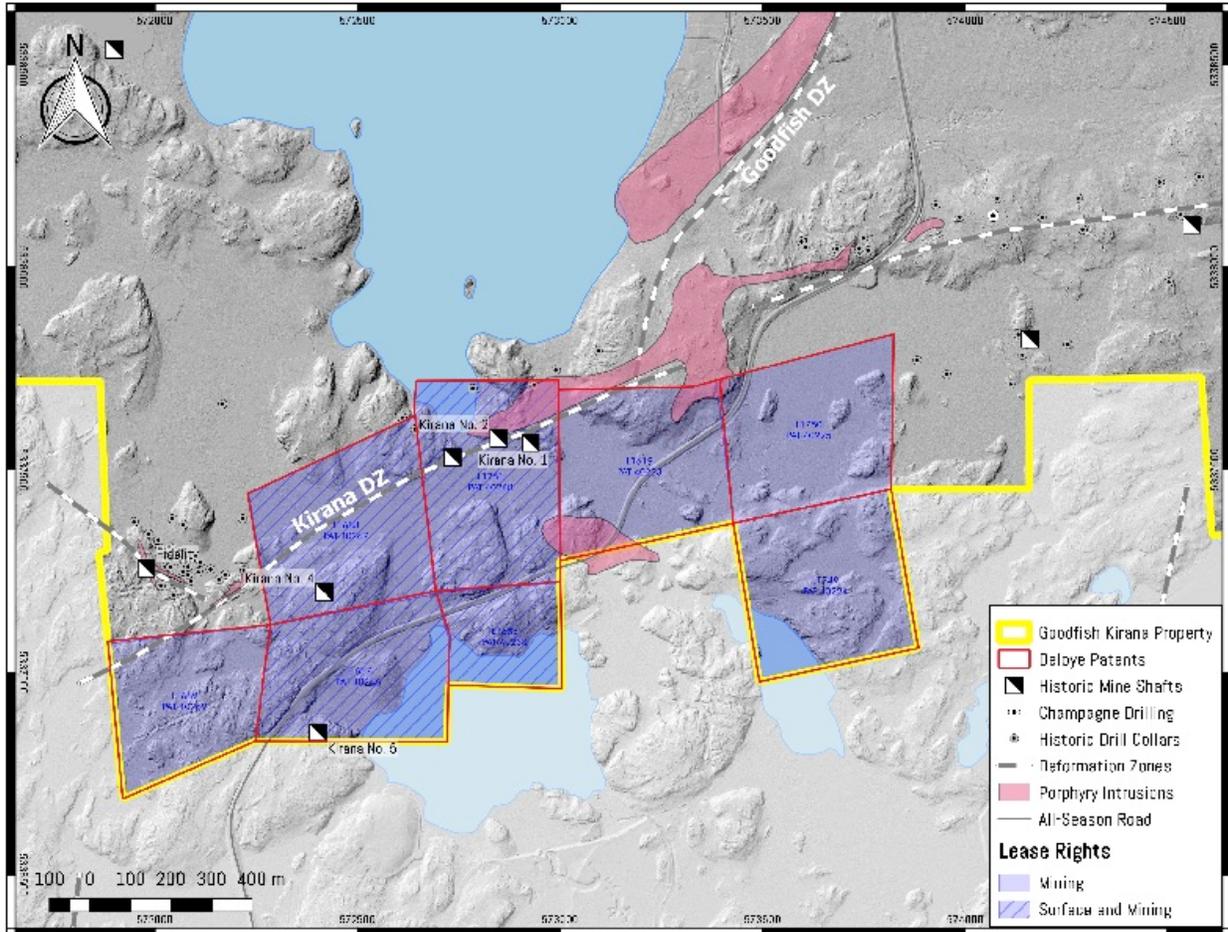


Figure 6 - Mineral and surface rights of the Deloye Patented Claims.



If a prospector/company acquires a mining patent, the mining patent vests in the patentee all of the provincial Crown's title to the subject lands and to all mines and minerals relating to such lands. The holder of a mining patent enjoys the freehold interest in the lands that are the subject of such patent and no permits are required for the patentee explore on the land unlike staked mining claims.

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Financial Discussion

Consolidated Financial Information

The following is a summary of certain selected financial information that is qualified by the more detailed information appearing in the audited consolidated financial statements of the Company.

Selected Annual and Quarterly Information

The Company's fiscal period ends on March 31 of each year. Set out below is a summary of certain selected audited consolidated financial information for the Company's three most recently completed fiscal years ended, March 31, 2018, 2017 and 2016.

	March 31		
	2018	2017	2016
	\$	\$	\$
Net income (loss)	(806,013)	2,212,519	(107,782)
Net income (loss) per share, basic and diluted	(0.03)	0.10	(0.00)
Total assets	6,201,288	2,177,272	373,035
Total long-term debt	-	-	-
Cash dividends	-	-	-

The following is a summary of the eight most recently completed quarters:

Quarter ended	Income (loss) for the period	Income (loss) per share *	Total assets
	\$	\$	\$
June 30, 2016	194,253	0.01	416,360
September 30, 2016	2,133,950	0.10	2,503,700
December 31, 2016	1,074	0.00	2,355,821
March 31, 2017	(116,758)	(0.01)	2,177,272
June 30, 2017	(104,079)	(0.00)	1,995,065
September 30, 2017	(81,211)	(0.00)	1,845,652
December 31, 2017	(73,743)	(0.00)	1,598,662
March 31, 2018	(546,980)	(0.02)	6,201,288

* Basic and fully diluted

War Eagle did not generate any revenues other than the royalties from the Company's former Tres Marias property located in Mexico. Apart from the exploration and evaluation asset write-downs, the main factors contributing to variations in the quarterly income (loss) were share-based compensation awards, and receipt of proceeds from the sale of a subsidiary, Tombstone Mexico.

Other attributable variations include:

- The Company received US\$1,000,000 during the year ended March 31, 2017 from the sale of Tombstone Mexico, owner of the Tres Marias Mine. War Eagle also recognized the outstanding amount of \$1,464,100 (US\$1,100,000) from COMSA as receivable as of March 31, 2017 and booked a gain on the sale of this subsidiary of \$2,422,526 during the year ended March 31, 2017.

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Results of Operations for the Year Ended March 31, 2018

War Eagle incurred a net loss before and after tax of \$806,013 or \$0.03 per share, for the year ended March 31, 2018, compared to income of \$2,212,519 or \$0.10 per share, for the year ended March 31, 2017. Significant operating expenses for the year ended March 31, 2018 as compared to the year ended March 31, 2017, are as follows:

- Consulting fees - fees are paid to consultants not acting in a management or staff capacity
- Exploration costs - expenses related to the exploration costs on the Goodfish Kirana Project
- Insurance - insurance expense is prepaid for a 12 month period and expensed at each quarter end
- Investor relations – the Company has initiated investor relations activities to increase market awareness of the Company's new asset and exploration activities
- Management fees and salaries - expenses relating to officers and contractors that administer the operations of the Company
- Professional fees – expenses comprising audit and legal fees. Legal fees increased in the current year primarily due to the amalgamation with Champagne Resources and the law suit with the Company's former CEO
- Rent - expenses include the Company's storage facility in Vancouver and office rent in Toronto, Ontario

War Eagle received \$175,354 in royalties from COMSA during the year ended March 31, 2018 compared to \$33,342 during the year ended March 31, 2017.

The Company received US\$1,000,000 during the year ended March 31, 2017 from the sale of Tombstone Mexico and it recognized the outstanding amount of \$1,464,100 (US\$1,100,000) from COMSA as receivable as of March 31, 2017, resulting in a gain on the sale of subsidiary of \$2,422,526 during the year ended March 31, 2017.

Change in Financial Position

Changes in our financial position since March 31, 2018 primarily relate to the use of cash to fund operations in the ordinary course of business.

Results of Operations for the Quarter Ended March 31, 2018

The Company incurred a net loss in the fourth quarter of fiscal 2018 in the amount of \$546,980. Operating expenses were \$616,259, an increase from \$95,888 in the fourth quarter of fiscal 2017. Operating expenses were higher in the fourth quarter primarily due to exploration costs on the Goodfish Kirana Project, higher management fees and a higher share-based compensation paid or accrued during the year.

In March 2018, War Eagle received a US\$200,000 payment from COMSA as final payment from the sale of Tres Marias in accordance with the new agreement with COMSA.

Liquidity and Capital Resources

At March 31, 2018, War Eagle had a working capital of \$894,078. The Company believes that it has sufficient resources to maintain its continuing administrative costs and to undertake its planned Phase One Exploration expenditures.

In August 2016, the Company entered into a new agreement with COMSA on payment terms on the remaining US\$1,700,000 owing at the time of the new agreement, wherein COMSA agreed to make payments every quarter starting on December 31, 2016, with the final payment on March 31, 2018. As of

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the date of this MD&A, COMSA has made all the payments relating to the purchase of Tombstone Mexico in accordance with the agreements. War Eagle is also entitled to receive an additional US\$400,000 if sales of product are US\$20 million or more, an additional US\$400,000 if sales of product are US\$25 million or more and a 2% net smelter return royalty to a maximum of a further US\$2,500,000.

War Eagle has not paid any dividends since incorporation and the Company has no plans to pay dividends in the immediate future. The Company expects to retain its earnings, if any, to finance further growth. The directors of the Company will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time. All of the common shares of the Company are entitled to an equal share in any dividends declared and paid.

War Eagle has a history of losses and the Company's ability to continue as a going concern is dependent upon the discovery of economically recoverable mineral reserves, confirmation of the Company's interest in the underlying mineral claims, its ability to obtain necessary financing to fund exploration and development, and future profitable production or proceeds from the sale of the property.

Outstanding Share Capital

The Company has an unlimited number of common shares authorized, with 44,240,552 common shares outstanding on March 31, 2018 and 44,290,552 common shares outstanding as of the date of this MD&A. A total of 6,086,045 share purchase warrants and 3,564,659 stock options were outstanding on March 31, 2018 and 6,086,045 share purchase warrants and 3,495,957 stock options as of the date of this MD&A.

Related Party Transactions

The following table outlines all transactions with related parties:

Payee	Related Party	Nature of Transaction	2018 \$	2017 \$
Carnarvon Capital Corporation	Company controlled by Paul A. Carroll, Chairman	Compensation including fee and share-based payments	162,250	75,000
Danièle Spethmann	CEO, Director	Compensation including fee and share-based payments	97,500	-
L&D Holdings Inc. (formerly, "1091096 Ontario Inc.")	Company controlled by Don Padgett, former Director	Compensation including fee and share-based payments	31,000	36,000
Primary Venture Corporation	Company controlled by Malcolm Burke, Director	Compensation including fee and share-based payments	76,500	36,000
W. S. Hamilton Geological Consulting Ltd.	Company controlled by the late William S. Hamilton, Director	Compensation including consulting fee and share-based payments	75,500	19,734
Peter Winnell	Director	Share-based payments	40,500	-
Koios Corporate Financial Services Ltd.	Company controlled by Salil Dhaumya, CFO	Compensation including fee and share-based payments	61,500	48,000

As at March 31, 2018, \$200,000 (March 31, 2017 - \$69,000) in total is owing to officers, directors and consultants for services. These amounts owing have been included in accounts payable and accrued liabilities.

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During the year ended March 31, 2018, Mr. Carroll agreed to reduce the amount owed to his company by \$nil (March 31, 2017 - \$64,000). The Company recognized a gain on settlement of debt of \$nil (March 31, 2017 - \$64,000).

Related party balances bear no interest, and are unsecured.

Transactions with related parties were in the normal course of business and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

The Company has a compensation agreement with its CEO for \$15,000 per month through its amalgamation with Champagne, which is automatically renewable for successive one-year terms. The CEO is also eligible for an annual bonus up to 50% of her annual fees linked to performance criteria agreed to between the CEO and the Company's compensation committee. On termination of the CEO's services, the Company is obligated to make a lump sum severance payment of \$450,000.

Adoption of New Accounting Pronouncements and Recent Developments

The Company did not adopt any new or amended standards for the year beginning April 1, 2017 that had a material impact on the consolidated financial statements. The following new standards, amendments to standards and interpretations have been issued but are not effective during the year ended March 31, 2018:

IFRS 9 Financial Instruments

As part of the project to replace IAS 39, *Financial Instruments: Recognition and Measurement*, this standard retains but simplifies the mixed measurement model and establishes two primary measurement categories for financial assets. More specifically, the standard:

- deals with classification and measurement of financial assets;
- establishes two primary measurement categories for financial assets: amortized cost and fair value;
- prescribes that classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset; and
- eliminates the existing categories: held to maturity, available for sale, and loans and receivables.

Certain changes were also made regarding the fair value option for financial liabilities and accounting for certain derivatives linked to unquoted equity instruments.

This Standard is to be adopted for accounting periods beginning or after January 1, 2018, with early adoption permitted. The Company will adopt IFRS 9 on April 1, 2018, and has determined that the adoption of IFRS 9 will not have a material impact on the Company's financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2015 and specified how and when an entity will recognize revenue as well as requiring such entities to provide users of consolidated financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers.

The Company will adopt IFRS 15 on April 1, 2018, and has determined that the adoption of IFRS 15 will not have a material impact on the Company's financial statements.

IFRS 16 Leases

IFRS 16 was issued in January 2017 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees

to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

This standard is effective for reporting periods beginning on or after January 1, 2019. The Company is currently evaluating the impact on the Company's financial statements.

The Company does not expect to early adopt standards, amendments, and interpretations not yet effective.

Financial Instruments and Other Instruments

Information about financial instruments is disclosed in note 15 of the March 31, 2018 consolidated financial statements.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet transactions.

Risks

As a company involved in the exploration of mineral resources, the Company faces a number of risks, including, but not limited to:

- War Eagle has limited cash resources and there can be no assurance that the Company will be able to raise sufficient cash to develop or joint venture its properties;
- War Eagle continues to seek complementary joint venture opportunities for its Goodfish Kirana Project and will require additional financing to fund its plans and any possible transactions;
- War Eagle has a history of operating losses and the Company expects to incur significant operating losses for the foreseeable future;
- War Eagle's success is dependent on future exploration work results and mineral prices;
- In order to develop our mineral properties, the Company requires experienced senior management, personnel and consultants and is substantially dependent upon the services of a few key individuals for the successful operation of its business; and
- The development of an exploration project is subject to extensive laws and regulations by various government agencies and First Nations requirements that take time and which may make exploration and advanced exploration work more challenging.