

KANADARIO GOLD INC.
MANAGEMENT DISCUSSION AND ANALYSIS
NINE MONTHS ENDED JULY 31, 2019

FORWARD-LOOKING INFORMATION AND MATERIAL ASSUMPTIONS

This report on results for the nine months ended July 31, 2019 contains forward-looking information, including forward-looking information about Kanadario Gold Inc.'s (the "Company") operations, estimates, and exploration and acquisition spending.

Forward-looking information is generally signified by words such as "forecast", "projected", "expect", "anticipate", "believe", "will", "should" and similar expressions. This forward-looking information is based on assumptions that the Company believes were reasonable at the time such information was prepared, but assurance cannot be given that these assumptions will prove to be correct, and the forward-looking information in this report should not be unduly relied upon. The forward-looking information and the Company's assumptions are subject to uncertainties and risks and are based on a number of assumptions made by the Company, any of which may prove to be incorrect.

GENERAL

This Management Discussion and Analysis ("MD&A") of the financial condition, results of operations and cash flows of the Company for the nine months ended July 31, 2019, should be read in conjunction with the condensed interim financial statements as at July 31, 2019 and the audited financial statements as at October 31, 2018. This MD&A is effective September 26, 2019. Additional information relating to the Company is available on SEDAR at www.sedar.com.

The Company has prepared its condensed interim financial statements for the nine months ended July 31, 2019 in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard ("IAS") 34 *Interim Financial Statements*, as issued by the International Accounting Standards Board.

DESCRIPTION OF BUSINESS

The Company is an exploration stage company incorporated on November 23, 2017, under the laws of the province of British Columbia, Canada. Its principal business activity is the acquisition, exploration and evaluation of mineral properties located in the province of Quebec, Canada. The Company's head office and principal business address is 1680 – 200 Burrard Street, Vancouver, British Columbia, Canada, V6C 3L6. The Company's registered and records office is 400 – 725 Granville Street, Vancouver, British Columbia, Canada, V7Y 1G5.

BUSINESS OF THE COMPANY

On December 20, 2017, the Company issued 1,050,000 common shares at a price of \$0.005 per share for gross proceeds of \$5,250 and recognized a share-based compensation of \$0.045 per share for a total of \$47,250.

On December 27, 2017, the Company completed a subscription for gross proceeds of \$100,000 to be used for flow-through expenditures. The Company issued 2,000,000 flow-through common shares at a price of \$0.05 per share. Each unit consisted of one common share and one-half of one share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at an exercise price of \$0.15 for a period of one year, which was subsequently extended to three years. No value was attributed to the warrants.

On June 1, 2018, the Company entered into a mineral property acquisition agreement to acquire a 100% interest in mineral claims located in the Cameron Lake area in the province of Quebec.

Under the terms of the agreement, the Company paid \$50,000 during the current period and issued 1,000,000 common shares (valued at \$50,000) of the Company during the period ended October 31, 2018.

The property is subject to a 2% net smelter return royalty, of which the Company may repurchase one-half (1%) for \$1,000,000.

On December 17, 2018, the Company issued 600,000 common shares at a price of \$0.05 per share for gross proceeds of \$30,000.

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On January 30, 2019, the Company closed a private placement for gross proceeds of \$300,000. The Company issued 3,000,000 units at a price of \$0.10 per unit. Each unit consisted of one common share and one share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of \$0.15 for a period of one year from the date of issuance.

On July 25, 2019, the Company entered into an agreement with PI Financial Corp. (the “Agent”) to complete an Initial Public Offering (“IPO”) for the issuance of 5,000,000 common shares (the “Offering”) of the Company at \$0.15 per share for gross proceeds of \$750,000. The Company will pay the Agent a cash commission of 3.5% of the gross proceeds from the purchasers introduced by the Company and 7.5% of the gross proceeds from the remaining purchasers. The Company will also issue to the Agent compensation warrants to purchase 7.5% of the number of common shares sold pursuant to the IPO to purchasers other than those purchasers introduced by the Company, exercisable at \$0.15 per share for up to 24 months following the date on which the shares of the Company are listed on the TSX Venture Exchange (“TSX-V”). The Company will also pay the Agent a corporate finance fee of \$25,000 plus GST (\$13,125 paid) upon closing of the Offering and a retainer of \$10,000 (paid) in connection with the Agent’s anticipated expenses. Completion of the IPO is subject to a number of conditions, including but not limited to, TSX-V acceptance. There can be no assurance that the IPO will be completed as proposed or at all. The Company filed a final prospectus dated July 25, 2019 relating to the IPO.

At July 31, 2019, the Company had a remaining commitment to incur exploration expenditures in relation to its December 2017 flow-through financing of \$nil (October 31, 2018 - \$16,305).

SELECTED QUARTERLY INFORMATION

Results for the four most recently completed quarters are summarized below.

For the Quarter Periods Ending	July 31, 2019 \$ (unaudited)	April 30, 2019 \$ (unaudited)	January 31, 2019 \$ (unaudited)	October 31, 2018 \$ (unaudited)
Total revenue	Nil	Nil	Nil	Nil
Loss for the period	(105,092)	(15,641)	(1,850)	(34,785)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.01)
Total assets	423,315	467,344	484,695	199,949
Total non-current liabilities	24,000	24,000	24,000	24,000
Dividends	Nil	Nil	Nil	Nil

For the Quarter Periods Ending	July 31, 2018 \$ (unaudited)	April 30, 2018 \$ (unaudited)	January 31, 2018 \$ (unaudited)
Total revenue	Nil	Nil	Nil
Loss for the period	(50)	(90)	(47,253)
Basic and diluted loss per share	(0.00)	(0.00)	(0.03)
Total assets	103,607	87,000	111,247
Total non-current liabilities	Nil	Nil	Nil
Dividends	Nil	Nil	Nil

OPERATIONS

During the three months ended July 31, 2019, the Company reported a net loss of \$105,092 (2018 - \$50). Expenses for the three months ended July 31, 2019 compared to the same period in 2018 were as follows:

- Office and general increased from \$50 to \$1,979 due to additional activity;
- Professional fees increased from \$nil to \$35,126 due to legal and audit fees related to the prospectus and becoming a reporting issuer;

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- Share-based compensation of \$49,270 for the three months ended July 31, 2019 was related to the stock options granted to directors on May 7, 2019, while no options were granted during the three months ended July 31, 2018; and
- Transfer agent and filing fees increased from \$nil to \$18,717 due to filing fees related to the prospectus and IPO.

During the nine months ended July 31, 2019, the Company reported a net loss of \$122,583 (251 days ended July 31, 2018 - \$47,393). Expenses for the nine months ended July 31, 2019 compared to the 251 days ended July 31, 2018 were as follows:

- Consulting fees increased from \$nil to \$4,057 due to consultations on mineral claims in 2019;
- Office and general increased from \$143 to \$2,662 due to additional activity;
- Professional fees increased from \$nil to \$45,109 due to legal and audit fees related to the prospectus and becoming a reporting issuer;
- Share-based compensation of \$49,270 for the nine months ended July 31, 2019 was related to the stock options granted to directors on May 7, 2019, while \$47,250 was incurred during the 251 days ended July 31, 2018 relating to common shares issued on December 29, 2017; and
- Transfer agent and filing fees increased from \$nil to \$21,485 due to filing fees related to the prospectus and IPO.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2019, the Company's cash was \$158,328 (October 31, 2018 - \$64,116) and the working capital was \$167,091 (October 31, 2018 - \$10,627).

The Company will need to raise additional financing in order to meet general working capital requirements for the 2019 fiscal year and to continue exploration on its mineral property.

OFF-BALANCE SHEET ARRANGEMENTS

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

TRANSACTIONS WITH RELATED PARTIES

These amounts of key management compensation are included in the amounts shown on the condensed interim statements of comprehensive loss:

	Nine Months Ended July 31, 2019	251 Days Ended July 31, 2018
Share-based compensation	\$ 49,270	\$ 47,250

For the nine months ended July 31, 2019, key management compensation consisted of share-based compensation of \$49,270 relating to stock options granted (251 days ended July 31, 2018 - \$47,250 relating to common shares issued on December 29, 2017). Key management compensation was as follows:

- \$9,854 (251 days ended July 31, 2018 - \$15,750) to Dominic Verdejo, a director and the President and Chief Executive Officer of the Company;
- \$19,708 (251 days ended July 31, 2018 - \$15,750) to P. Joseph Meagher, a director and the Chief Financial Officer of the Company;
- \$9,854 (251 days ended July 31, 2018 - \$15,750) to Karly Oliver, a director of the Company; and
- \$9,854 (251 days ended July 31, 2018 - \$nil) to Leigh Hughes, a director of the Company.

There were no other related party transactions for the nine months ended July 31, 2019 and 251 days ended July 31, 2018.

There were no related party balances as at July 31, 2019 or October 31, 2018.

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EVENTS OCCURRING AFTER THE REPORTING DATE

None.

RISKS AND UNCERTAINTIES

The Company is engaged primarily in mineral exploration and manages related industry risk issues directly. The Company may be at risk for environmental issues and fluctuations in commodity pricing. Management is not aware of and does not anticipate any significant environmental remediation costs or liabilities in respect of its current operations; however, it is not possible to be certain that all aspects of environmental issues affecting the Company, if any, have been fully determined or resolved.

CAPITAL DISCLOSURES

The Company's objectives when managing capital are to identify, pursue and complete the exploration and development of mineral properties, to maintain financial strength, to protect its ability to meet its ongoing liabilities, to continue as a going concern, to maintain credit-worthiness and to maximize returns for shareholders over the long term. The Company does not have any externally imposed capital requirements to which it is subject. Capital of the Company comprises shareholders' equity.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. The Company's investment policy is to invest its cash in financial instruments at high credit quality financial institutions with terms to maturity selected with regard to the expected timing of expenditures from continuing operations. There have been no changes to the Company's approach to capital management during the nine months ended July 31, 2019. The Company is not subject to externally imposed capital requirements.

FINANCIAL INSTRUMENTS AND RISKS

As at July 31, 2019, the Company's financial instruments consist of cash, receivables, and accounts payable and accrued liabilities. The carrying values of these financial instruments approximate their fair values.

Fair value

The Company classifies its fair value measurements in accordance with an established hierarchy that prioritizes the inputs in valuation techniques used to measure fair value as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.
- Level 3 - Inputs that are not based on observable market data.

The following table sets forth the Company's financial asset measured at fair value by level within the fair value hierarchy:

July 31, 2019	Level 1	Level 2	Level 3	Total
Cash	\$ 158,328	\$ -	\$ -	\$ 158,328

October 31, 2018	Level 1	Level 2	Level 3	Total
Cash	\$ 64,116	\$ -	\$ -	\$ 64,116

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Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing it at major Canadian financial institutions. The Company has minimal credit risk.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on capital.

- i) *Currency risk* – The Company has no funds held in a foreign currency, and as a result, is not exposed to significant currency risk on its financial instruments at period-end.
- ii) *Interest rate risk* – Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. Interest earned on cash is at nominal interest rates, and therefore, the Company does not consider interest rate risk to be significant. The Company has no interest-bearing financial liabilities.
- iii) *Other price risk* – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk. The Company is not exposed to significant other price risk.

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's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The contractual financial liabilities of the Company as of July 31, 2019 equal \$22,306 (October 31, 2018 - \$55,627). All of the liabilities presented as accounts payable are due within 30 days of the reporting date.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Impairment of exploration and evaluation assets

The application of the Company's accounting policy for exploration and evaluation expenditures and impairment of the capitalized expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in profit or loss in the year the new information becomes available.

Title to mineral property interests

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

Income taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax

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liability, including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

In addition, the Company recognizes deferred tax assets relating to tax losses carried forward to the extent that it is probable that taxable profit will be available against which a deductible temporary difference can be utilized. This is deemed to be the case when there are sufficient taxable temporary differences relating to the same taxation authority and the same taxable entity that are expected to reverse in the same year as the expected reversal of the deductible temporary difference, or in years into which a tax loss arising from the deferred tax asset can be carried back or forward. However, utilization of the tax losses also depends on the ability of the taxable entity to satisfy certain tests at the time the losses are recouped.

Going concern risk assessment

The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon its ability to fund its existing acquisition and exploration commitments on its exploration and evaluation assets when they come due, which would cease to exist if the Company decides to terminate its commitments, and to cover its operating costs. The Company may be able to generate working capital to fund its operations by the sale of its exploration and evaluation projects or raising additional capital through equity markets. However, there is no assurance it will be able to raise funds in the future. These material uncertainties cast significant doubt regarding the Company's ability to continue as a going concern. These condensed interim financial statements do not give effect to any adjustments required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying condensed interim financial statements.

Decommissioning liabilities

Rehabilitation provisions have been created based on the Company's internal estimates. Assumptions, based on the current economic environment, have been made which management believes are a reasonable basis upon which to estimate the future liability. These estimates take into account any material changes to the assumptions that occur when reviewed regularly by management. Estimates are reviewed annually and are based on current regulatory requirements. Significant changes in estimates of contamination, restoration standards and techniques will result in changes to provisions from year to year. Actual rehabilitation costs will ultimately depend on future market prices for the rehabilitation costs that will reflect the market condition at the time the rehabilitation costs are actually incurred.

The final cost of the currently recognized rehabilitation provisions may be higher or lower than currently provided for. As at July 31, 2019, the Company has no known rehabilitation requirements, and accordingly, no provision has been made.

Fair value of stock options granted

The Company uses the Black-Scholes option pricing model to value the stock options granted during the year. The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. The model requires management to make estimates that are subjective and may not be representative of actual results. Changes in assumptions can materially affect estimates of fair values.

NEW ACCOUNTING STANDARD ISSUED BUT NOT YET EFFECTIVE

IFRS 16 Leases

IFRS 16 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 twelve 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 *Leases*. The standard was issued in January 2016 and is effective for annual periods beginning on or after January 1, 2019.

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SHARE CAPITAL

The Company had the following securities issued and outstanding:

	September 26, 2019 (unaudited)	July 31 2019 (unaudited)	October 31, 2018
Common shares	7,650,000	7,650,000	4,050,000
Warrants	4,000,000	4,000,000	1,000,000
Stock options	500,000	500,000	-
Fully diluted shares	12,150,000	12,150,000	5,050,000