



MOUNTAIN BOY MINERALS LTD.
(An Exploration Stage Company)
MANAGEMENT'S DISCUSSION AND ANALYSIS – QUARTERLY HIGHLIGHTS
FOR THE SIX MONTHS ENDED MAY 31, 2018

OVERVIEW AND INTRODUCTORY COMMENT

Mountain Boy Minerals Ltd. (“Mountain Boy” or the “Company”) is a Canadian based mineral exploration company listed on the TSX Venture Exchange under the trading symbol “MTB”. The Company is a Canadian based mineral exploration company with diverse property and resource holdings within the Stewart region located in the very prolific area of British Columbia’s Golden Triangle.

The Company has four primary properties, namely the Silver Coin property (gold-silver), the Barbara and Surprise Creek properties (silver-zinc-lead), the Red Cliff property (gold-copper-zinc-lead-silver) and the Mountain Boy property (silver-zinc-lead). The Company owns 20% of the Silver Coin project, a gold-silver-base metals project that has a NI43-101 compliant resource calculated. It is also exploring silver-base metals on its American Creek and Bear Valley properties as well as copper-gold on their Stewart area claims.

This MD&A is dated July 20, 2018 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the unaudited condensed interim financial statements and the related notes for the six months ended May 31, 2018 and the Company’s audited financial statements for the year ended November 30, 2017 and the related notes thereto

Additional information relevant to the Company and the Company’s activities can be found on SEDAR at www.sedar.com, and/or on the Company’s website at www.mountainboyminerals.ca.

MAJOR QUARTERLY OPERATING MILESTONES

Barbara and Surprise Creek Property

On January 31, 2018, the Company reported on two shallow drill holes completed on the Ataman zone. To date only 4 short drill holes have tested the barite rich portion of the Ataman zone at the headwaters of Surprise Creek.

The objective of the 2017 drill program was to define the location and direction of the stratiform barite cap within the system. This will help the Company in conjunction with the interpretation of the VTEM survey to define drill targets for the 2018 program. The key targets are high grade mineralized sulfide lenses or zones within the system which are mostly distal but directly related to the barite occurrence.



It is noteworthy that zinc, lead, copper and silver, as well as low amounts of gold are present in the barite cap in the form of small zones and veinlets which could be the result of a subsequent hydrothermal event bringing the sulfide minerals to surface. Surface sampling has shown that the barite cap or horizon extends for at least 650 m of height and at least 150 m of length. To date, the source of large angular zinc boulders up to 1 m in diameter, assaying over 7% zinc, has not been located. These boulders are located in the immediate vicinity of the barite zone.

Detailed results of the 2017 drilling are shown below:

Surprise Creek Drill Intersections

Drill Hole	From (m)	To (m)	Width (m)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	BaSO ₄ (%)
SC-3	33.0	37.5	4.5	23.1	0.10	0.71	3.27	-
and	48.95	75	26.05	22.34	0.36	0.03	1.03	41.0
SC-4	39.0	45.0	6.0	39.71	0.07	0.17	1.37	-
and	61.90	76.95	15.05	26.48	0.19	0.09	0.42	66.82

At the Howards Pass lead zinc mine in the eastern Yukon, which has characteristics analogous to mineralization at Surprise Creek, the main deposit is directly positioned under the main barite zone.

On April 13, 2018, the Company issued 2,500,000 common shares to Great Bear Resources Ltd. pursuant to the June 1, 2017 option agreement.

On June 14, 2018, the Company reported that it has received the completed interpretation for an airborne survey over the 7,412 ha in the 100% owned Barbara (BA) mineral tenures. The airborne survey indicates an arcuate anomalous trend that is up to 9 km long. Mineralized areas detected in previous work along the interpreted trend include the Nelson, main BA and BOD zones. The Nelson zone is along the SE part of the indicated arcuate structure, the main BA is in the western most part and the BOD is along the northern part of trend.

The main BA zone appears as part of an anomaly that is 1.5 by 2.0 km in size. To date, drilling has only occurred along the western most edge of this anomaly. Drilling has only tested 500 m of the SW edge of this anomaly. The mineralized zone dips at a low angle to the SE beneath a receding glacier and appears to be the source of the large indicated EM anomaly. To the south and north, thick sections of overlying sedimentary rocks partially obscure the EM anomaly. Magnetic exhalites overlie the sulphide zones in the main BA area. Magnetic interpretation indicates a correlation with the EM anomaly supporting the presence of a large VMS system.

Red Cliff Property

On January 9, 2018, the Company reported the final assay results for the Montrose Zone from the 2017 drill program.

Highlights of the latest assays received included:

- Numerous gold bearing zones within the Montrose structure as seen in DDH-2017-7.



- Intersection of 14.6 g/t gold over 2.20 m in DDH-17-M0N-8.
- Intersection of 13.9 g/t gold over 2.04 m in DDH-17-M0N-31.
- Intersection of 13.7 g/t gold over 3.05 m in DDH-17-M0N-31.

Drill hole collar locations and elevations have been completed by a surveyor. A data base with GPS locations for all holes as well as the elevations will be established. This data in conjunction with all the drill hole assays will be used to create a new model that shows gold grade shells. All additional assays (cutting extra core) from previous holes will be entered into the data base. The Company will also use the existing 2007-2012 and 2016-2017 data to prepare a preliminary resource calculation for the Montrose zone.

Drill results are summarized below for holes on the Montrose zone as follows:

DDH No.	From(m)	To(m)	Interval(m)	Gold (g/t)
DDH-MON-7	228.66	230.03	1.37	2.78
and	237.5	239.02	1.52	10.20
and	251.83	256.86	5.03	5.88
and	264.39	265.91	1.52	10.40
DDH-MON-8	229.42	230.85	1.43	2.78
and	241.01	243.20	2.20	14.60
and	249.7	251.83	2.13	1.39
DDH-MON-9	227.74	228.81	1.07	3.79
DDH-MON-12	42.38	42.84	0.46	5.34
DDH-MON-13	29.42	32.01	2.59	2.03
and	45.27	48.17	2.90	5.28
DDH-MON-29	82.77	90.85	8.08	2.62
and	96.85	106.10	9.15	7.05
and	112.20	121.34	9.15	2.06
DDH-MON-30	105.79	107.01	1.22	3.88
DDH-MON-31	352.44	355.49	3.05	5.75
and	374.79	385.98	11.19	6.60
Including	374.79	376.83	2.04	13.90
Including	382.93	385.95	3.05	13.70
and	395.12	396.6	1.52	4.71
DDH-MON-32	190.85	192.93	2.07	2.07

Drill hole azimuths vary from 240 to 320 degrees based on drill pad sites available on a steep hillside so true widths are not yet determined.

On January 22, 2018, the Company reported the final assay results for the Waterpump Zone from the 2017 drill program.

Highlights of the latest assays received included:

- Intersection of 13.88 g/t gold over 7.50 m in DDH-17-M0N-37.
- Intersection of 10.41 g/t gold over 22.87 m in DDH-17-M0N-40.
- Intersection of 7.21 g/t gold over 7.16 m in DDH-17-M0N-41.



Drill results are summarized below for holes on the Waterpump zone as follows:

DDH No.	From(m)	To(m)	Width(m)	Gold g/t
DDH-MON-36	57.59	59.63	2.04	19.70
DDH-MON-37	69.21	71.19	1.98	2.40
and	73.38	80.85	7.50	13.88
DDH-MON-38	32.62	35.67	3.05	2.64
and	63.11	63.93	0.82	3.41
and	67.68	87.32	14.63	1.97
and	84.45	89.18	4.72	4.18
DDH-MON-40	88.41	116.46	22.87	10.41
DDH-MON-41	67.16	68.29	1.13	3.42
and	84.45	93.60	7.16	7.21
and	97.56	98.78	1.22	3.0
DDH-MON-42	62.50	64.79	2.29	2.97
DDH-MON-43	72.65	73.11	0.46	8.10
DDH-MON-44	83.08	84.45	1.37	10.96
and	105.79	107.07	1.28	2.23
DDH-MON-45	108.23	108.64	0.46	6.06
and	121.04	130.18	9.1	2.50
DDH-MON-46	101.37	102.99	1.62	9.49
and	139.33	142.38	3.05	11.60

These holes were drilled at angles of -45 to -70 degrees. Truth widths are not yet determined.

Drilling was off several panels located 25 m and 50 m south of the surface expression of the zone located along the Lydden Creek canyon. Drilling tested above the surface expression of the zones which is located 150 m vertically below the drill pads. Numerous post mineral diabase dykes were intersected within the zone.

On June 21, 2018, the Company announced that the summer 2018 drill program was underway to focus on the area around the 2017 drilling on the Waterpump zone. In addition, surface sampling was being carried out to identify the area of a historic surface trench that assayed 64 g/t gold over 1.37 meters over the Waterpump zone, uphill from the drilling. *The Company has not verified this gold result and is using it for reference purposes only.*

On July 18, 2018, the Company provided an update on the drilling at the Red Cliff project where the operator Decade Resources completed 36 drill holes in the area of the Waterpump zone. Twenty four holes were drilled on the zone itself as well as 12 holes testing the gold bearing structure on the property. The holes drilled on the Waterpump were successful in intersecting the zone. Photos of core from DDH-MON-18-21 and DDH-MON-18-22 are shown in the photo gallery in the Red Cliff section of the Decade website (<https://decaderesources.ca/news/projects/red-cliff-property>). This afore mentioned mineralization was intersected over 10 m of core length in both holes



High priority samples have been sent to an accredited lab for assays. The Company looks forward to reporting results in the coming weeks.

The drill has been relocated to the north side of Lydden Creek and will continue testing the Montrose zone. Drilling is designed to expand and extend on results at the northern most drilling at depth. Drilling will be north of and below the following drill hole intersections:

- Intersection of 5.18 g/t gold over 12.65 m in DDH-09-MON-11.
- Intersection of 11.0 g/t gold over 6.86 m in DDH-11-MON-06.
- Intersection of 28.10 g/t gold over 8.9 m in DDH-11-MON-09.
- Intersection of 43.91 g/t gold over 7.47 m in DDH-11-MON-11.

Drilling will test from 150 to 300 m below surface in this area.”

As at May 31, 2018, the Company owed Decade \$431,556 (November 30, 2017: \$392,709) for joint venture exploration costs on Red Cliff which was included in accounts payable and accrued liabilities.

Manual Creek Property

In April 2018, the Company acquired two claims covering the Manual Creek zeolite property for \$3,500.

Corporate

On June 27, 2018, the Company announced the resignation of Mark T. Brown as the Chief Executive Officer of the Company and the appointment of Lawrence Roulston as the Chief Executive Officer of the Company.

On July 11, 2018, the Company announced the appointment of Nancy Curry as VP Corporate Development.

QUARTERLY FINANCIAL CONDITION

Capital Resources

During the six months ended May 31, 2018, 7,900,000 options were exercised for cash proceeds of \$395,000.

On July 10, 2018, the Company granted a total of 10,800,000 stock options at an exercise price of \$0.08 per share for a period of five years to its directors and officers.

The Company has \$119,798 as reclamation bonds.

The Company is aware of the current conditions in the financial markets and has planned accordingly. The Company's current treasury and the future cash flows from warrants and



options, along with the planned developments within the Company as well as with its JV partners will allow its efforts to continue throughout 2018. If the market conditions prevail or improve, the Company will make adjustment to budgets accordingly.

Liquidity

As at May 31, 2018, the Company's working capital deficiency was \$558,179 (November 30, 2017: working capital deficiency of \$554,471). With respect to working capital, \$10,789 was held in cash (November 30, 2017 - \$22,643). The slightly decrease in cash was due to the \$96,531 used in operations and \$260,323 used in the exploration and evaluation assets, including increasing its reclamation bonds while being offset by the cash received from the exercise of options of \$345,000

Operations

During the three months ended May 31, 2018, the Company reported a loss of \$32,881 (\$0.00 loss per share) (2017 – \$324,382 (\$0.00 loss per share)).

Excluding the non-cash share-based payment of \$Nil (2017 - \$234,000), the Company's general and administrative expenses amounted to \$33,317 during the three months ended May 31, 2018 (2017 – \$90,382), a decrease of \$57,065 as a result of the decrease in expenditures in legal fees (from 2017's \$19,136 to 2018's \$404), management fees (from 2017's \$15,000 to 2018's \$Nil) and shareholder communications (from 2017's \$29,426 to 2018's \$1,700) while being offset by an increase in. accounting and audit fees (from 2017's \$3,150 to 2018's \$23,800). The Company has been monitoring its use of cash and has been actively seeking ways to conserve cash.

During the six months ended May 31, 2018, the Company reported a loss of \$116,104 (\$0.00 loss per share) (2017 – \$393,450 (\$0.00 loss per share)).

Excluding the non-cash share-based payment of \$Nil (2017 - \$234,000), the Company's general and administrative expenses amounted to \$117,395 during the six months ended May 31, 2018 (2017 – \$159,450), a decrease of \$42,055 as a result of the decrease in expenditures in legal fees (from 2017's \$27,783 to 2018's \$5,041), management fees (from 2017's \$30,000 to 2018's \$7,500) and shareholder communications (from 2017's \$48,588 to 2018's \$20,790) while being offset by an increase in accounting and audit fees (from 2017's \$7,950 to 2018's \$56,900). The Company has been monitoring its use of cash and has been actively seeking ways to conserve cash.

SIGNIFICANT RELATED PARTY TRANSACTIONS

During the quarter, there was no significant transaction between related parties.



COMMITMENTS, EXPECTED OR UNEXPECTED, OR UNCERTAINTIES

As of the date of this MD&A, other than disclosed in this MD&A – Quarterly Highlights, the Company has does not have any commitments, expected or unexpected, or uncertainties.

RISK FACTORS

In our MD&A filed on SEDAR March 26, 2018 in connection with our annual financial statements (the “Annual MD&A”), we have set out our discussion of the risk factors *Exploration risks*, *Market risks* and *Financing risk* which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company’s undertakings and to the interests of stakeholders in the Company including its investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

DISCLOSURE OF OUTSTANDING SHARE DATA

The authorized share capital of the Company consists of an unlimited number of common shares without par value. The following is a summary of the Company’s outstanding share data as at May 31, 2018:

	Issued and outstanding	
	May 31, 2018	July 20, 2018
Common shares outstanding	165,939,410	165,939,410
Stock options	4,200,000	15,000,000
Warrants	20,873,666	20,873,666
Fully diluted common shares outstanding	191,013,076	201,813,076

QUALIFIED PERSON

Mr. Ed Kruchkowski, P.Geog, is a Qualified Person, as defined by National Instrument 43-101. Mr. Kruchkowski has reviewed the technical contents of this MD& A.

Cautionary Statements

This document contains “forward-looking statements” within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company’s documents filed from time to time via



SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance on forward-looking statements.