



MANAGEMENT DISCUSSION AND ANALYSIS (“MD&A”)
for the year ended August 31, 2018

INTRODUCTION

Rotation Minerals Ltd. (“Rotation” or “the Company”) was incorporated on November 24, 2009 in the Province of British Columbia, Canada. In October 2011, Rotation completed its initial public offering. The Company’s common shares trade on the TSX Venture Exchange under the symbol “ROT”.

Rotation is an exploration stage company engaged in the acquisition, exploration and evaluation of mineral properties located in the “Golden Triangle” area of British Columbia, Canada. The area known as the Golden Triangle of British Columbia is among the world’s most prolific mineralized districts, host to past and current mining operations including Johnny Mountain, Red Mountain, Snip Mine, Premier Mine, Golden Bear and Valley of the Kings. The Golden Triangle has reported mineral resources (past production and current resources) in total of 67 million oz of gold, 569 million oz of silver and 27 billion pounds of copper.

The Company’s objective is to undertake mineral exploration on properties assessed to be of merit to define mineral resources, and to put plans in place in order that the properties may be put into operation in an economic and sustainable manner. Metals being targeted are precious metals with a focus on gold and silver. In the course of executing its business objectives, it is expected the Company will enter into various agreements specific to the mining industry, such as purchase or option agreements to acquire mineral claims and joint venture agreements.

This discussion and analysis of financial position, results of operations and cash flows of Rotation Minerals Ltd. for the year ended August 31, 2018 includes information up to and including December 21, 2018 and should be read in conjunction with the Company’s audited annual financial statements for the years ended August 31, 2018 and 2017. The Company’s financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”). All currency amounts are expressed in Canadian dollars.

The reader is encouraged to review the Company’s statutory filings on www.sedar.com and to review other information about the Company on its website at www.rotationminerals.com

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements or information. All statements other than statements of historical fact included in this MD&A including statements relating to the potential mineralization or geological merits of the Company's mineral properties and the future plans, objectives or expectations of the Company are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include among other things, statements regarding future commodity pricing, estimation of mineral reserves and resources, timing and amounts of estimated exploration expenditures and capital expenditures, costs and timing of the exploration and development of new deposits, success of exploration activities, permitting time lines, future currency exchange rates, requirements for additional capital, government regulation of mining operations, environmental risks, anticipated reclamation expenses, timing and possible outcome of pending litigation, timing and expected completion of property acquisitions or dispositions, and title disputes. They may also include statements with respect to the Company's mineral discoveries, plans, out-look and business strategy. The words "may", "would", "could", "should", "will", "likely", "expect", "anticipate", "intend", "estimate", "plan", "forecast", "project" and "believe" or other similar words and phrases are intended to identify forward-looking information.

Forward-looking statements are predictions based upon current expectations and involve known and unknown risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements.

Important factors that could cause actual results to differ materially from the Company's plans or expectations include risks relating to the actual results of exploration programs, fluctuating commodity prices, the possibility of equipment breakdowns and delays, the availability of necessary exploration equipment including drill rigs, exploration cost overruns, general economic or business conditions, regulatory changes, and the timeliness of government or regulatory approvals to conduct planned exploration work. Additional factors that could cause actual results to differ materially from the Company's plans or expectations include political events, fluctuations in mineralization grade, geological, technical, mining or processing problems, future profitability on production, the ability to raise sufficient capital to fund exploration or production, litigation, legislative, environmental and other judicial, regulatory, political and competitive developments, inability to obtain permits, general volatility in the equity and debt markets, accidents and labour disputes and the availability of qualified personnel.

Although the Company has attempted to identify all of the factors that may affect our forward-looking statements or information, this list of the factors is not exhaustive. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks and uncertainties detailed throughout this MD&A.

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Scottie Property

On September 27, 2012, the Company entered into an agreement with a company with directors in common with the Company to purchase an 80% interest in the Scottie Property. The Scottie property is located in the Golden Triangle near Stewart, British Columbia.

The Company purchased the 80% interest for \$370,000. The Company paid \$20,000 upon signing the agreement with the remaining \$350,000 payable within one year of signing the agreement. The due date of the \$350,000 payment was extended a number of times.

On August 31, 2016, the vendor of the Scottie property agreed to transfer the remaining 20% interest in the Scottie property to the Company at no cost provided that the Company pay the \$350,000 on or before November 30, 2016. The Company and the vendor then negotiated an extension of that due date to September 1, 2017. The \$350,000 balance owing was paid in full on August 24, 2017.

The property is subject to a 3% net smelter return royalty. The Company has the right to purchase 2% for \$600,000.

Edward Kruckowski, a director of the Company, was also a director and shareholder of the vendor, and as a result, the transaction was considered to be a related party transaction as defined under Multilateral Instrument 61-101. The transaction was exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as the fair market value of the consideration paid by the Company for the acquisition of the 20% interest did not exceed 25% of the Company's market capitalization at that time.

The Scottie property is located approximately 50 kms north of Stewart, British Columbia and consists of 14 Crown Granted claims and 2 Modified Grid System (MGS) claims that are contiguous. The property covers 107 hectares of MGS claims and 213 hectares of Crown Granted claims.

The Scottie Gold Mine operated from 1981 to 1985 and produced 95,426 ounces of gold from 183,147 tonnes of mineralization. Four separate vein zones labelled the 'L', 'M', 'N' and 'O' zones were partially explored by drilling and underground development. These four zones were the source of the gold produced during the milling operation.

After closure of the mine, Wright Engineers prepared a report dated July 1985 that indicated diluted mineral resources in the Proven, Probable and Possible categories (now known as Measured, Indicated and Inferred in 43-101 classifications) within the four zones as 120,279 tonnes grading 19.31 g/t gold for a total of 74,333 ounces. Wright Engineers used information supplied by the Scottie Gold Mine engineers and did not independently confirm the information. The report by Wright Engineer's relied on drill hole data and underground sampling results from programs completed by the Scottie Gold Mine operators.

During the period from 2004 to 2006, further drilling by Tenajon Resource Corp. ("Tenajon"), led to a resource estimation by Giroux Consultants in October, 2007. This resource estimation was based on Tenajon's drill hole data and the Scottie Gold Mine drill hole data and underground sampling. The results of the estimation are outlined below:

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Scottie Property – (cont'd)

2007 Resource Estimation for the Scottie Property

Veins	Category	Tonnes	Au g/t	Ag g/t	Ounces Gold	Ounces Silver
L, M, N and O	Indicated	20,100	9.91	4.32	6,400	2,800
L, M, N and O	Inferred	203,000	8.40	4.25	54,800	27,800

The above resources have not been verified by the Company and are not considered 43-101 compliant as they are not compliant with present standards of reporting. These estimates are historical and are used for reference purposes only. A qualified person has not done sufficient work to classify the historical estimate as current mineral resources. The issuer is not treating the historical estimate as current mineral resources. The issuer has examined all the historical drill data, sampling plans and production records and believes that the historical estimates are relevant. The issuer will need to complete drill holes to verify the historical resources in order to upgrade the estimates to make them compliant with 43-101 standards.

The estimations of previous operators were based on mineralization defined in a zone 200 metres wide and 200 metres long with a vertical range of 440 metres. The mineralization is open along strike and to depth. Exploration to date has identified 13 potential zones of gold-bearing quartz-sulphide veining of the same nature as ore milled at Scottie during its operation.

The Company believes that with over 1,000 metres of unexplored strike and an additional 600 metres of open vertical extent, the Scottie Gold property has excellent potential to expand the extent of known mineralization.

2016 Exploration Program

In May 2016, the Company posted a reclamation bond of with the Minister of Finance and, in July 2016 received a work permit to commence 2016 exploration on the Scottie gold property.

Surface geological work to locate many of the 13 gold-bearing veins previously reported was completed. Exploration work sampled the veins which are being exposed by the receding glacial ice and appear as linear rusty zones. In addition, the Company attempted to locate a three-metre vein located in 2006 that had chip sample values of 10.12 grams per tonne gold over 1.5 metres and 6.55 grams per tonne gold over three metres. The reader is cautioned that the above results are historical and have not been confirmed by the Company. These are being used for reference purposes and should not be relied upon.

On July 22, 2016, the Company announced that it had discovered a new wide zone of altered rocks containing veins and stockworks of sulphides on the Scottie gold property. The zone is in an overburden covered area and was exposed by drill pad building activities. It consists of massive pyrrhotite veins and stringers containing minor chalcopyrite cut by later narrow pyrite veins. Molybdenum and visible gold have been noted in one area of an exposed massive pyrrhotite vein. The overall width of this new alteration zone appears to be seven to eight metres. Drilling from this location was initially intended to intersect the C vein and, as a result, intersections on this new zone start near the drill collars. It is intended that new drill stations will be at lower elevations in order to test the downdip extension of this new zone.

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Scottie Property – (cont'd)

2016 Exploration Program – (cont'd)

ICP analysis of grab sampling from this zone indicates two separate mineralizing events. Assays from one of the sulphide-bearing phases indicate 0.5 gram per tonne gold with zinc values up to 0.6 per cent zinc with no molybdenum. The main and widest phase contains gold assays up to 447.95 grams per tonne Au with 0.3 per cent molybdenum but no zinc. The highest grade was from a sample at the farthest south of the exposed area. A total of 21 grab samples were collected from the main zone area over a distance of 15 metres and assays ranged from 1.4 g/t gold to the high of 447.95 g/t. The zone had five assays in the 20 to 40 g/t range, three assays in the 10 to 20 g/t range and 11 in the one to 10 g/t range. Any ICP results above one g/t gold were fire assayed. The reader is cautioned that the above results are grab samples and are not representative of the entire zone area. Further work is necessary to confirm the grade of the overall vein system.

On October 18, 2016, Rotation released its 2016 drill results from the Scottie gold property. During the 2016 exploration season, the Company focused on outlining gold-bearing areas outside of the immediate area of the mine workings.

Drilling intersected up to 1.13 metres of 31.54 grams per tonne gold in DDH-SG-4. Drilling was primarily focused on the intersection of the projected C and D veins. Highlights of the drill program are shown in the attached table.

Drill hole	From (m)	To (m)	Width (m)	Au (g/t)
SG-16-2	26.01	26.62	0.61	23.5
SG-16-3	17.68	20.79	3.1	5.04
Incl.	17.68	19.21	1.52	8.08
SG-16-4	7.16	10.52	3.35	3.42
and	55.71	56.92	1.13	31.54
SG-16-5	7.47	9.05	1.65	9.87
and	16.6	21.95	3.35	6
SG-16-7	6.71	11.28	4.57	3.2
and	19.21	22.26	3.05	8.6
SG-16-8	61.89	62.26	0.37	12.27
SG-16-11	21.71	26.52	4.82	2.63
SG-16-14	66.77	57.16	0.4	14.54

Within the 2016 drilling, numerous intersections grading one gram per tonne to two grams per tonne gold were also encountered.

2017 Exploration Program

In January, 2017, the Company hired Ecos Environmental Consulting Inc. to ensure that the active mine permit on the Scottie property is compliant with present government standards. The mine permit, which was in effect during the mining operations carried out during 1981 to 1985, is still in place. The Company is working at re-activating the mine. All the mill facilities are intact in their underground location.

Scottie Property – (cont'd)

2018 Exploration Program

Rotation engaged Equity Exploration Consultants Ltd. (“Equity”) to assist the Company with a compilation and review of the many reports and extensive data available on the Scottie gold mine. This has resulted in a geological interpretation of a deposit model that indicates the potential for additional high-grade gold resources within the footprint of the Scottie gold mine and its surrounding area and has led to recommendations regarding future exploration programs.

Rotation completed site and surface work during the summer of 2018 which will prepare and position the Scottie gold mine for future exploration and advancement, including on the environmental and permitting fronts.

Geological Model

Gold mineralization is hosted within dilational zones along main structures that may form a Cymoid Loop geometry. The M zone, where the majority of the mining took place at the Scottie gold mine in the 1980s, is an excellent example of this Cymoid Loop geometry, where dilation along the controlling structure resulted in a concentration of high-grade gold mineralization. This geometry is noted in other structurally controlled gold deposits and may be a tool for targeting additional gold-bearing zones at Scottie at depth, along strike and within parallel structures to the known mineralization.

Black Hills Property

On January 17, 2013, the Company purchased a 100% interest in 6 claims for \$10,000 from a company managed by a former director of the Company. The claims known as the Black Hills claims are located 7.5 kms northeast of Stewart BC and have been explored by various adits and trenches. The Company staked additional claims at a cost of \$1,680 during fiscal 2018.

Grab sampling of well mineralized dump material at the portal of a north trending adit on the property indicated the following assay results. Mineralization included massive sphalerite, tetrahedrite, galena and jamesonite within the samples.

Sample	Au g/t	Ag g/t	Cu %	Pb %	Zn %
BH 1	0.19	1840	0.19	1.99	24.5
BH 2	0.47	3080	0.29	14.6	5.85
BH 3	1.22	3060	0.27	15.7	8.06
BH 4	0.47	3240	0.29	12.0	0.96
BH 5	1.35	4080	0.36	11.0	17.1
BH 6	2.75	1390	0.16	3.57	13.9
BH 7	0.74	1570	0.24	18.4	5.43

Ruby Silver Property

On March 9, 2018, Rotation purchased a 100% interest in the Ruby Silver property located in the Golden Triangle. The Ruby Silver property is located 21 kilometres north of Stewart, B.C. The property is comprised of 4 mineral claims covering approximately 4,300 hectares and is situated over numerous mineral occurrences. Consideration to purchase the 100% interest was \$100,000 in cash which was paid to an arms-length individual.

The Ruby Silver claims cover the Ruby Silver showing consisting of a quartz-carbonate vein containing blebs and disseminations of pyrite and chalcopyrite, locally forming up to 10% of the vein. Malachite and azurite staining is present. The vein is up to 1.5 metres wide, strikes 110 degrees and dips 68 degrees southwest. The vein has been explored by 3 different adits. The main adit follows the footwall of the vein, which, in turn, appears to follow a porphyritic dike. Historic sampling of the vein mineralization in the tunnels assayed from 0.7 to 11.0 grams per tonne gold, 15.4 to 115.2 grams per tonne silver and trace to 9.3% copper over widths of 0.3 to 1.8 metres (Property File - Cited in Thios Resources Inc., Prospectus April, 1987).

The Roosevelt Ridge area within the Ruby Silver claim block contains abundant quartz +/- carbonate veins as well as breccia, stockwork and replacement zones. Many of them are barren but some are mineralized with pyrite, sphalerite, galena, chalcopyrite and malachite. Sulphide content ranges from trace to 5%. The veins are up to 0.6 metres wide and locally traced over 40 metres. In addition to mineralization in place, there are also numerous boulders which feature very similar host rocks and mineralization. Several of those boulders yielded highly anomalous results in gold and base metals. The highest gold assay obtained from in situ samples collected in the previous years returned 7.51 g/t Au and 3.45% Zn. Gold results came from float rocks containing 25% pyrite, 1% sphalerite and 1-2% arsenopyrite assayed up to 9.0 g/t Au and 0.25% Zn. A historic float of argillite cut by quartz stockwork with pyrite and sphalerite assayed 5.56 g/t Au and 3.56% Zn.

Bow Property

On December 12, 2018, the Company entered into an option agreement with Decade Resources Ltd. (“Decade”), a company with a director in common with the Company, to acquire a 100% interest in the Bow property located in the Golden Triangle mining district of British Columbia. The Bow covers 471.92 hectares and is subject to a 3% net smelter return royalty. The option agreement remains subject to TSX Venture Exchange approval.

The Bow is contiguous with the Company’s 100% owned Scottie property which hosts the past producing Scottie Gold mine. Previous exploration work has identified 13 different gold-bearing veins on the Bow and Scottie properties.

The terms of the option agreement require cash payments totalling \$1,000,000 to be paid in five equal installments as follows:

- \$200,000 on TSX Venture Exchange approval of the option agreement;
- \$200,000 on or before June 12, 2019;
- \$200,000 on or before December 12, 2019;
- \$200,000 on or before June 12, 2020; and
- \$200,000 on or before December 12, 2020.

In the event that all the payments are not made, Rotation will have no interest in the Bow property.

Edward Kruchkowski, a director of each of Decade and Rotation, abstained from approving the transaction and was not involved in negotiating its terms.

The Bow property covers a package of Hazelton Group volcanic rocks in contact with the Summit Lake stock, part of the Texas Creek plutonic suite. This sequence of rocks exhibits similar alteration and mineralization to the former-producing Premier mine 20 kilometres south of the Bow property, and the KSM copper-gold porphyries and Brucejack gold deposits 20 kilometres north of the Bow property.

In late 2013, Decade completed an extensive program of mapping, sampling, prospecting and trenching on the Bow property. Trenching of a 4.5 metre vein returned numerous high-grade gold results including 23 assays exceeding 500 g/t gold. Three main areas were explored, namely the Bend vein area, the Oro Grande/Blueberry vein area and an area near the south end of the Bow property. Work defined three new veins and a possible fourth along the access tunnel to the former Scottie Gold mine near its A portal. This access tunnel starts at the southwestern portion of the Bow property and was driven southwest for 2.3 kms to the Scottie Gold mine. The dumps for the broken muck from the first 500 metres of the tunnel (on the Bow property) are at the A portal. Pieces of massive pyrrhotite-pyrite mineralization are present in this dump, indicating the presence of a vein and/or veins in the first 500 metres of drifting. Fine visible gold is present in bluish quartz fragments within a matrix of massive pyrrhotite-pyrite.

In 2014 and 2016 Decade drilled a total of 22 holes on the Bow property, testing a number of the recently discovered mineralized zones. Highlights from the two most notable zones, the Big M zone and the Sixties zone, respectively returned gold intercepts 15.25 g/t gold over 49.6 metres (including 56.7 g/t gold over 13.20 metres), and 27.54 g/t gold over 13.11 metres. In addition, Decade reported anomalous cobalt in multiple holes, with values as high as 0.44% cobalt.

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Four J's Property

By an option agreement dated August 9, 2010 and last amended on September 8, 2017, the Company had the option to acquire a 50% interest in the Four J's Property. The option was granted by Teuton Resources Corp., a company with a director in common with the Company.

Consideration to earn the 50% interest was \$180,000 and \$1,800,000 in exploration expenditures as follows:

Cash Payments:

- i) \$20,000 on execution of the agreement (paid);
- ii) a further \$25,000 on or before August 9, 2011 (paid);
- iii) a further \$30,000 on or before August 9, 2012 (paid);
- iv) a further \$15,000 on or before August 9, 2016 (paid);
- v) a further \$20,000 on or before August 9, 2017 (paid);
- vi) a further \$30,000 on or before August 9, 2018;
- vii) a further \$40,000 on or before August 9, 2019.

Cumulative Exploration Expenditures:

- i) \$397,716 on or before September 30, 2016 (incurred);
- ii) a further \$100,000 on or before December 31, 2016 (incurred);
- iii) a further \$500,000 on or before December 31, 2018 (incurred \$53,945);
- iv) a further \$802,284 on or before December 31, 2019.

Upon earning the 50% interest, the Company had the option to earn an additional 20% interest by delivering a feasibility study on the property.

On September 8, 2017, the Company amended the option agreement and paid an extension fee of \$10,000. The terms detailed above reflect this amendment.

2017 Exploration Program

Equity Exploration Consultants Ltd. completed a mapping and sampling program at the Four J's property in the fall of 2017.

2018 Exploration Program

The Company has posted a reclamation bond of \$60,000 with the Ministry of Mines on the Four J's property. The Company received an exploration permit on January 8, 2018 which provided for twelve drill sites on the Four J's property.

Rotation Abandons Four J's Option

On August 9, 2018, the Company determined that it would not be proceeding with the Four J's option agreement. The Company did not make the required option payment of \$30,000. The Company recorded a write-off of exploration and evaluation assets of \$609,123 representing the accumulated acquisition and exploration costs on the Four J's property.

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Stock Property

On February 20, 2017, the Company staked a 100% interest in 3 mineral claims at a cost of \$7,225 known as the Stock property. The Stock property is located south of the Company's Scottie property in the Golden Triangle near Stewart, British Columbia.

On August 28, 2017, the Company entered into a binding letter of intent with Jaxon Minerals Inc. ("Jaxon") to option a 75% interest in the Stock property to Jaxon. The terms of the letter of intent require Jaxon to spend up to \$375,000 on the Stock property over four years.

Placer Lease 372720

On March 1, 2016, the Company was granted a three-year option on Placer Lease 372720 located in the Cariboo Mining District of British Columbia. Placer Lease 372720 was optioned from the former CEO of the Company. The Company agreed to incur a minimum work commitment of \$30,000 on or before December 31, 2016 (incurred). During the year ended August 31, 2017, the Company abandoned its option on Placer Lease 372720 and recorded a charge of \$79,263.

Thomas Mumford, Ph.D., P.Geo and VP Exploration of Rotation, a qualified person under National Instrument 43-101, is responsible for the accuracy of the technical data contained in this MD&A.

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SELECTED ANNUAL INFORMATION

	August 31, <u>2018</u>	August 31, <u>2017</u>	August 31, <u>2016</u>
Total revenue	\$Nil	\$Nil	\$Nil
Net and comprehensive loss for the year	\$(1,417,201)	\$(544,792)	\$(246,356)
Basic and diluted loss per share	\$(0.03)	\$(0.01)	\$(0.01)
Total assets	\$1,996,172	\$2,173,845	\$1,079,179
Non-current financial liabilities	\$Nil	\$Nil	\$Nil
Dividends	\$Nil	\$Nil	\$Nil

DISCUSSION OF OPERATIONS

During the year ended August 31, 2018, the Company's comprehensive loss was \$1,417,201 compared to \$544,792 for the year ended August 31, 2017.

Consulting fees were \$266,175 for the year ended August 31, 2018 compared to \$60,000 for the year ended August 31, 2017. Consulting fees of \$90,000 were charged by the Company's advisory board. In addition, consulting fees of \$172,500 were charged by the Company's new corporate development consultant.

Management fees were \$156,000 for the year ended August 31, 2018 compared to \$75,000 for the year ended August 31, 2017. These fees were charged by the Company's CEO as to \$105,000, CFO as to \$33,000 and corporate secretary as to \$18,000.

Share-based payments were \$289,000 for the year ended August 31, 2018 compared to \$180,000 for the year ended August 31, 2017. The Company granted 1,150,000 stock options in 2018 compared to 900,000 in 2017.

During the year ended August 31, 2018, the Company abandoned its option on the Four J's property and recorded a charge of \$609,123.

During the year ended August 31, 2017, the Company abandoned its option on Placer Lease 372720 and recorded a charge of \$79,263.

ADVISORY BOARD

The Company's advisory board was created to support management and the board of directors in the areas of project development, corporate development and geology. Members of the advisory board are as follows:

Ernest Mast, MEng, PEng, is the former president and CEO of Primero Mining Corp., the former president and CEO of Minera Panama, a subsidiary of Inmet Mining developing the Cobre Panama project, and the former vice-president of operations of New Gold Inc. Mr. Mast has over 25 years of experience in all stages of gold and base metals projects, having worked in Canada, the United States, Mexico, the Dominican Republic, Panama, Chile and Australia.

Lon Shaver, CFA, has 25 years of capital markets and corporate experience, mostly focused on the Canadian mining sector. This includes roles as an investment banker with Raymond James and Merrill Lynch, where he completed numerous financing and merger and acquisition mandates, as well as a mining analyst with an institutional sell-side firm. Mr. Shaver's corporate experience includes CFO roles with a publicly listed mining company and a private technology company.

Jason Weber, PGeo, is currently president, CEO and director of Alianza Minerals Ltd. He is an exploration geologist with over 20 years of experience in the minerals exploration industry, including British Columbia's Golden Triangle, in technical and corporate roles. He is the former president and CEO of Kiska Metals Corp. and one of its predecessors, and was a project geologist with Equity Engineering, working on projects in Canada and Central America.

CORPORATE DEVELOPMENT

The Company entered into a contract for corporate development services with Ore Capital Partners Ltd. The contract was effective August 15, 2017 at a rate of \$15,000 per month for a term of one year. The consultant will provide the following services:

- introduce the Company to business opportunities that may be held by, or become available to the consultant, and would not otherwise be available to the Company ("Project Opportunities");
- assist the Company in developing strategic, operational and/or financial plans for actual or proposed development of the opportunities of the Company;
- assist the Company in negotiating and concluding acquisitions, other than or in addition to Project Opportunities;
- assist the Company in arranging, negotiating and concluding future financings of the Company as required from time to time to carry out its business;
- advise the Company on significant risks to its business and how to best ensure that these risks are being monitored and managed; and
- advise the Company on maintaining high standards of corporate citizenship and social responsibility.

MANAGEMENT CHANGES

On February 28, 2018, Ernest Mast and John Williamson agreed to join the Company's Board of Directors.

John Williamson is an independent consultant and mining entrepreneur with over 30 years of global experience. He has served as a founder, director or officer of over 20 listed companies in Canada and Australia. He is currently an officer of Altiplano Resources Ltd. and a director of Black Sea Copper and Gold Corp. (formerly Alternative Earth Resources Inc.). Throughout his career he has discovered and or evaluated numerous projects through to feasibility and production. Mr. Williamson has a bachelor of science, specialization in geology, from the University of Alberta, and is a professional geologist registered with the Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA).

To facilitate the addition of these two new directors, Brent Petterson resigned from the board of directors.

On December 3, 2018, Thomas Mumford was appointed Vice President Exploration of the Company.

Dr. Mumford is an experienced exploration geologist with a comprehensive field, technical and academic background in the Golden Triangle mining district of north-western British Columbia. He has extensive project management experience in gold, rare earth element, copper-porphyry and uranium deposits, specializing in magmatic mineral deposits and alpine geological mapping.

Dr. Mumford is a registered professional geologist with the Association of Professional Engineers and Geoscientists of New Brunswick (APEGNB) and Engineers and Geoscientists British Columbia (EGBC). Dr. Mumford has served as a lecturer at Carleton University and British Columbia Institute of Technology. He holds a BSc and MSc from University of New Brunswick and was awarded the Leopold Gelinus medal for the best MSc thesis from the Geological Association of Canada's volcanology and igneous petrology division. He holds a PhD from Carleton University, focused on magmatic controls for the Thor Lake rare earth element deposit in the Northwest Territories.

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SUMMARY OF QUARTERLY RESULTS

The figures for the quarters ended August 31, 2018 and 2017 are calculated from the Company's annual audited financial statements. All other amounts are from unaudited condensed interim financial statements prepared by management. All quarterly results were derived from financial statements prepared using IFRS.

	Q4	Q3	Q2	Q1
	August 31, <u>2018</u>	May 31, <u>2018</u>	February 28, <u>2018</u>	November 30, <u>2017</u>
Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Share-based payments	\$Nil	\$(250,000)	\$Nil	\$(39,000)
Write-off of E&E assets	\$(609,123)	\$Nil	\$Nil	\$Nil
Net and comprehensive loss	\$(757,504)	\$(376,030)	\$(126,751)	\$(156,916)
Basic and diluted loss per share	\$(0.02)	\$(0.01)	\$(0.00)	\$(0.00)

	Q4	Q3	Q2	Q1
	August 31, <u>2017</u>	May 31, <u>2017</u>	February 28, <u>2017</u>	November 30, <u>2016</u>
Revenues	\$Nil	\$Nil	\$Nil	\$Nil
Share-based payments	\$Nil	\$(180,000)	\$Nil	\$Nil
Write-off of E&E assets	\$15,772	\$Nil	\$(95,035)	\$Nil
Net and comprehensive loss	\$(109,875)	\$(219,864)	\$(191,442)	\$(23,611)
Basic and diluted loss per share	\$(0.00)	\$(0.01)	\$(0.00)	\$(0.00)

LIQUIDITY AND CAPITAL RESOURCES

At August 31, 2018, the Company had working capital of \$224,752.

The Company's operations do not generate cash flow and its success is dependent on its ability to discover economically viable mineral deposits. The mineral exploration process can take many years and is subject to factors such as commodity prices which are beyond the Company's control.

To date, the Company has been able to fund operations through equity financings. Uncertainty in the financial equity markets may make it difficult to raise additional capital through the private placements of shares. The junior mining industry is considered speculative in nature which may make it even more difficult to fund. While the Company will use its best efforts to achieve its business objectives by examining various financing alternatives, there is no assurance that the Company will be successful with its financing ventures.

The Company estimates its general and administrative expenses for the year ended August 31, 2019 at approximately \$300,000.

Commitment:

The terms of the option agreement on the Bow property require cash payments totalling \$1,000,000 to be paid in five equal installments as follows:

- \$200,000 on TSX Venture Exchange approval of the agreement;
- \$200,000 on or before June 12, 2019;
- \$200,000 on or before December 12, 2019;
- \$200,000 on or before June 12, 2020; and
- \$200,000 on or before December 12, 2020.

Financing Activities

During the Year Ended August 31, 2018:

The Company issued 1,631,498 common shares at \$0.15 per share for gross proceeds of \$244,725 pursuant to the private placement of 1,631,498 units at \$0.15 per unit. Each unit contained one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.25 until September 26, 2019. No finders' fees were paid with respect to this private placement. The Company incurred share issue costs of \$6,322 with respect to this private placement.

The Company issued 11,000,000 common shares at \$0.05 per share pursuant to the exercise of share purchase warrants for proceeds of \$550,000.

LIQUIDITY AND CAPITAL RESOURCES

Financing Activities

During the Year Ended August 31, 2017:

The Company issued 760,000 common shares at \$0.25 per share for gross proceeds of \$190,000 pursuant to the private placement of 760,000 units at \$0.25 per unit. Each unit contained one common share and one-half of one share purchase warrant with each whole warrant entitling the holder to purchase an additional common share at \$0.40 until January 24, 2019. No finders' fees were paid with respect to this private placement. The Company incurred share issue costs of \$1,700 with respect to this private placement.

The Company issued 3,333,334 common shares at \$0.15 per share for gross proceeds of \$500,000 pursuant to the private placement of 3,333,334 units at \$0.15 per unit. Each unit contained one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.25 until August 1, 2019. No finders' fees were paid with respect to this private placement. The Company incurred share issue costs of \$3,195 with respect to this private placement.

The Company issued 3,453,334 common shares at \$0.15 per share for gross proceeds of \$518,000 pursuant to the private placement of 3,453,334 units at \$0.15 per unit. Each unit contained one common share and one share purchase warrant entitling the holder to purchase an additional common share at \$0.25 until August 30, 2019. No finders' fees were paid with respect to this private placement.

The Company issued 1,000,000 common shares at \$0.05 per share pursuant to the exercise of share purchase warrants for proceeds of \$50,000.

The Company issued 1,350,000 common shares at pursuant to the exercise of stock options for proceeds of \$67,500.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements to report.

PROPOSED TRANSACTIONS

The Company has no proposed transactions to report.

FOURTH QUARTER

On August 9, 2018, the Company determined that it would not be proceeding with the Four J's option agreement. The Company did not make the required option payment of \$30,000. The Company recorded a write-off of exploration and evaluation assets of 609,123 representing the accumulated acquisition and exploration costs on the Four J's property.

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TRANSACTIONS WITH RELATED PARTIES

At December 21, 2018, the directors of the Company were Bradley Rourke, Ed Kruchkowski, Ernest Mast and John Williamson. The officers of the Company were Bradley Rourke (CEO), Brent Petterson (CFO) and Christina Boddy (Corporate Secretary).

The Company incurred the following charges by companies with directors in common with the Company, by a company managed by a former director of the Company and by a public company with a director in common with the Company during the years ended August 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Accounting	\$ -	\$ 7,000
Consulting	3,000	-
Exploration and evaluation assets – acquisition costs	10,350	370,000
Exploration and evaluation assets – drilling	-	183,345
Exploration and evaluation assets – equipment rental	-	86,120
Exploration and evaluation assets – field costs	84,400	-
Exploration and evaluation assets – geological	800	57,000
Exploration and evaluation assets – labour	-	24,850
Exploration and evaluation assets – supervision	-	11,600
Management fees	156,000	75,000
Share-based payments	<u>289,000</u>	<u>-</u>
	<u>\$ 543,550</u>	<u>\$ 814,915</u>

The Company considers all of its directors and executive officers to be key management. The Company incurred the following key management compensation charges during the years ended August 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Management fees	\$ 156,000	\$ 75,000
Share-based payments	<u>289,000</u>	<u>-</u>
	<u>\$ 445,000</u>	<u>\$ 75,000</u>

At August 31, 2018, prepaid expenses include \$345 (2017: \$Nil) due from a director of the Company for expense advances.

At August 31, 2018, due to related parties includes \$117,506 (2017: \$153,002) due to directors of the Company and to companies with directors in common with the Company for fees, expenses and advances.

CRITICAL ACCOUNTING ESTIMATES

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

i) *Exploration and Evaluation Assets*

The application of the Company's accounting policy for exploration and evaluation 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. The decision to abandon a property is largely determined by exploration results. If, after expenditure is capitalized, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available. At August 31, 2018, management considers that no impairment provision is required to the carrying costs of its mineral properties.

ii) *Rehabilitation Provisions*

At August 31, 2018, rehabilitation provisions have been determined to be \$Nil based on management's 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 period to period.

iii) *Share-based Payments*

The Company uses the Black Scholes Option Pricing Model for valuation of share-based payments. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

CHANGES IN ACCOUNTING POLICIES

The Company's significant accounting policies are summarized in Note 3 to its audited annual financial statements for the years ended August 31, 2018 and 2017. There were no changes in the Company's accounting policies during the year ended August 31, 2018 that had a significant impact on the Company's financial statements.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The fair values of the Company's financial assets and liabilities approximate their carrying amounts.

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- 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; and
- Level 3 – Inputs that are not based on observable market data.

The Company's financial instruments consist of cash, reclamation bonds, accounts payable and due to related parties. Cash is classified as FVTPL, reclamation bonds are classified as loans and receivables and accounts payable and due to related parties are classified as other financial liabilities.

The Company's financial instruments are exposed to certain financial risks. The risk exposures and the impact on the Company's financial instruments are summarized below.

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's cash is exposed to credit risk. The Company reduces its credit risk on cash by placing these instruments with institutions of high credit worthiness.

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. The Company's cash is exposed to interest rate risk.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company's accounts payable and advances from related parties are all current and due within 90 days of the balance sheet date. The Company ensures that it has sufficient capital to meet its short-term financial obligations.

RISKS AND UNCERTAINTIES

In addition to the risks and uncertainties outlined earlier in this management discussion, the Company is also subject to other risks and uncertainties including the following:

General Risk Associated with the Mining Industry

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include: securing adequate funding to maintain and advance exploration properties; ensuring ownership of and access to mineral properties by confirmation that claims and leases are in good standing and obtaining permits for drilling and other exploration activities. The market prices for gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Exploration and development activities involve risks which careful evaluation, experience and knowledge may not, in some cases eliminate. The commercial viability of any mineral deposit depends on many factors not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure, government regulation, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations, have an impact on the economic viability of a mineral deposit. Management attempts to mitigate its exploration risk by maintaining a diversified portfolio of properties and a strategy of possible joint ventures with other companies which balances risk while at the same time allowing properties to be advanced.

Dependence on Key Personnel

Loss of certain members of the executive team or key operational leaders of the company could have a disruptive effect on the implementation of the Company's business strategy and the efficient running of day-to-day operations until their replacement is found. Recruiting personnel is time consuming and expensive and the competition for professionals are intense. The Company may be unable to retain its key employees or attract, assimilate, retain or train other necessary qualified employees, which may restrict its growth potential.

Option Agreements

The Company may earn interests in mineral properties through option agreements and acquisition of titles to the mineral properties is only completed when the option conditions have been met in full. These conditions generally include making property payments and incurring exploration expenditures on the properties and can include the completion of pre-feasibility studies. If the Company does not satisfactorily complete its option conditions in the time frame laid out in the option agreement, the Company's title to the related property will not vest and the Company will have to write-down the previously capitalized costs related to that property.

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DISCLOSURE OF OUTSTANDING SHARE DATA

a) Issued:

At December 21, 2018, the Company had 59,572,183 common shares issued and outstanding.

b) Stock Options:

At December 21, 2018, the Company had 4,050,000 stock options outstanding entitling the holders to purchase one common share for each option held as follows:

<u>Number of Options</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,000,000	\$0.05	May 16, 2021
900,000	\$0.20	May 24, 2022
150,000	\$0.26	October 26, 2022
1,000,000	\$0.255	March 8, 2023
<u>1,000,000</u>	\$0.10	December 3, 2023
<u>4,050,000</u>		

c) Share Purchase Warrants:

At December 21, 2018, the Company had 8,798,166 share purchase warrants outstanding entitling the holders to purchase one common share for each warrant held as follows:

<u>Number of Warrants</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
380,000	\$0.40	January 24, 2019
3,333,334	\$0.25	August 1, 2019
3,453,334	\$0.25	August 30, 2019
<u>1,631,498</u>	\$0.25	September 25, 2019
<u>8,798,166</u>		