IM EXPLORATION INC. (formerly PRIZE EXPLORATION INC.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED MARCH 31, 2019

Introduction

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of the operations of IM Exploration Inc. (formerly Prize Exploration Inc.) (the "Company" or "IM Exploration") constitutes management's review of the factors that affected the Company's financial and operating performance for the fiscal year ended March 31, 2019. This MD&A has been prepared in compliance with the requirements of National Instrument 51- 102 – Continuous Disclosure Obligations. This MD&A should be read in conjunction with the audited annual financial statements of the Company for the years ended March 31, 2019 and 2018, together with the notes thereto. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the fiscal year ended March 31, 2019 are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at July 22, 2019 unless otherwise indicated, being the date on which the Company's board of directors approved this MD&A.

The financial statements and the financial data in this MD&A have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of IM Exploration's common shares (the "Common Shares"); or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Additional information regarding IM Exploration is available under the Company's SEDAR profile at www.sedar.com.

Caution Regarding Forward-Looking Statements

This MD&A contains certain forward-looking information as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "budgets", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Forward-looking statements	Assumptions	Risk factors
Statements regarding the sufficiency of the Company's working capital; the Company's business objectives and mineral exploration program for fiscal 2020 and intended use of proceeds from its IPO (as defined herein).	The Company has anticipated all material costs; the operating activities of the Company for the next 12 month period ending March 31, 2020, and the costs associated therewith, will be consistent with IM Exploration's current expectations; the Company will be successful in planning and executing its objectives, including its exploration program.	Unforeseen costs will arise; any particular operating costs increase or decrease from the date of the estimation; changes in economic and financial market conditions and metals prices; difficulties in completing objectives in a timely manner or at all; risks associated with mineral exploration.
The Company will be required to raise additional capital in order to meet its ongoing operating expenses and complete its planned exploration activities on its Mulloy Project (as defined herein).	The operating and exploration activities of the Company, and the costs associated therewith, will be consistent with IM Exploration's current expectations; equity markets and general economic conditions are favourable to IM Exploration.	Volatility in equity markets; timing and availability of external financing on acceptable terms; increases in costs; environmental compliance and changes in environmental and other local legislation and regulation; changes in economic conditions.
Management's outlook regarding future trends and future uses of cash.	Financing will be available for IM Exploration's exploration and operating activities; the price of metals will be favourable.	Metal price volatility; volatility in equity markets; interest rate and exchange rate fluctuations; changes in economic conditions.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond IM Exploration's ability to predict or control. Please also make reference to those risk factors referenced in the "Risks and Uncertainties" section below. Readers are cautioned that the above chart does not contain an exhaustive list of the factors or assumptions that may affect the forward-looking statements herein, and that the assumptions underlying such statements may prove to be incorrect.

Forward-looking statements in this MD&A involve known and unknown risks, uncertainties and other factors that may cause IM Exploration's actual results, performance or achievements to be materially different from any of its future results, performance or achievements expressed or implied by forward-looking statements. All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements made herein, except as may be required by applicable securities laws.

Description of Business

The Company was incorporated under the name "Prize Exploration Inc." pursuant to the Canada Business Corporations Act on April 19, 2017. On February 14, 2019, the Company changed its name to "IM

Exploration Inc." The Company's registered office and head office is located at 181 Bay Street, Brookfield Place, Suite 4400, Toronto, Ontario, M5J 2T3.

IM Exploration's principal business is mineral exploration, focusing initially on the exploration and development of the Company's principal property, the Mulloy project located in Rowlandson Township, Porcupine Mining Division, District of Cochrane, Ontario (the "Mulloy Project" or the "Property").

Overall Performance and Outlook

The Company has no revenues, so its ability to ensure continuing operations is dependent on it completing the acquisition of its mineral property interests including the Mulloy Project, its ability to obtain necessary financing to complete exploration activities thereon, and ultimately, development of and future profitable production from the Property and any other mineral property interests it may acquire in the future.

At March 31, 2019, the Company had working capital of $111,495 (March 31, 2018 – $13,123). The Company had cash and cash equivalents of $192,859 (March 31, 2018 - $38,440). Working capital and cash and cash equivalents increased during the twelve months ended March 31, 2019 due to proceeds from a private placement, as described further below.

The Company believes that it has sufficient capital to meet its ongoing operating expenses, and to commence its Phase 1 exploration program at the Mulloy Project. Management may increase or decrease budgeted expenditures depending on exploration results and the general economic environment. See "Discussion of Operations - Liquidity and Capital Resources" below

On July 13, 2018, the Company completed a private placement (tranche 1) with the issuance of 3,600,000 Common Shares, at a price of $0.05 per Common Share, for gross proceeds of $180,000. Gross proceeds of $45,000 were received prior to the Company's previous fiscal year-end on March 31, 2018.

On July 26, 2018, the Company completed a private placement (tranche 2) with the issuance of 1,300,000 Common Shares, at a price of $0.05 per Common Share, for gross proceeds of $65,000.

On October 5, 2018, the Company completed a private placement (tranche 3) with the issuance of 700,000 Common Shares, at a price of $0.05 per Common Share, for gross proceeds of $35,000.

During the fiscal year ended March 31, 2019, the Company worked towards the completion of an initial public offering of Common Shares (the "IPO"). The IPO was completed after year-end. See "Proposed Transactions" and "Subsequent Events" below.

The Company's primary business objective is to explore the Mulloy Project. In furtherance of this objective, the Company has an option to acquire a 90% undivided interest in and to the Mulloy Project by paying certain consideration and completing a feasibility study (see "Exploration and Projects" below).

For the Company to achieve this primary objective, its ancillary business objectives include: (a) the pursuit of additional financing (completed); (b) completion of the IPO (See "Proposed Transaction" and "Subsequent Events" below); and (c) the completion of the Phase 1 recommended work program on the

Mulloy Project at an estimated cost of approximately $125,200, as described in the technical report dated effective March 15, 2019 in respect of the Mulloy Project (the "Technical Report").

The Company plans to commence Phase 1 of the recommended program initially, and will conduct further exploration (including Phase 2, if warranted) depending upon the results of such program. In addition, the Company may seek to acquire additional exploration stage properties should a property of interest become available to it.

Exploration and Projects

Mulloy Project

The principal asset of the Company consists of its option to acquire a 90% undivided interest in the Mulloy Project located near Cochrane, Ontario.

Pursuant to an option agreement dated effective November 30, 2017 among IM Exploration (then called Prize Exploration Inc.) and three optionors of the Mulloy Project (the "Option Agreement"), for IM Exploration to exercise its option to acquire the 90% interest in the Mulloy Project it must fulfill the following requirements:

1. pay $5,000 to each optionor within 10 calendar days of the execution of the Option Agreement for an aggregate payment to the optionors of $15,000 (paid);
2. issue 100,000 Common Shares to each optionor upon completion of the IPO, for an aggregate issuance to the optionors of 300,000 Common Shares (issued); and
3. complete a feasibility study in respect of the Mulloy Project (the "Feasibility Study").

Should the Company exercise its option, then pursuant to the terms of the Option Agreement, the optionors will form a joint venture with IM Exploration in respect of the Mulloy Project and will retain a 2% net smelter royalty ("NSR") on the Mulloy Project. The Company will have the option, exercisable at any time, to reduce the NSR to 1% upon payment to the optionors in the aggregate amount of $1,000,000.

During the fiscal year ended March 31, 2019, no work was done at the Mulloy Project while the Company was completing financing activities and preparations for the IPO. No additional work prior to August 13, 2019 is required to keep the Mulloy Project in good standing.

The Technical Report recommended a budget of approximately $325,200 to carry out the proposed work programs at the Mulloy Project. Some of this work will be funded from the Company's current cash balance and the proceeds from the IPO.

Plans for the Mulloy Project	**Planned Expenditures (approx.)**
Phase 1 – Vertical Drilling & Geophysical Survey Conduct a small geophysical grid survey. Drilling of two vertical holes to test the original graphite zone from historical drilling.	$125,200
Subtotal	**$125,200**
Phase 2 - Exploration Drilling Dependent on the success of Phase 1, a drilling campaign of approximately 900 metres across the Mulloy Project.	$200,000
Subtotal	**$200,000**
Total Phase 1 and 2	**$325,200**

Qualified Person

Case Lewis, P.Geo. is a Qualified Person within the meaning of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and has reviewed and approved the scientific and technical content in this MD&A.

Trends

The Company is a mineral exploration company, focused on the exploration of the Mulloy Project, and the acquisitions of other mineral exploration properties, should such acquisitions be consistent with the objectives and acquisition criteria of the Company.

The Company's future performance and financial success is largely dependent upon the extent to which it can discover mineralization and the economic viability of developing the Mulloy Project. The costs associated with exploring the Property are expected to gradually diminish the Company's cash balance. The development of assets may take years to complete and the resulting income, if any, is difficult to determine with any certainty. The Company lacks mineral resources and mineral reserves and to date has not produced any revenues. The sales value of any minerals discovered by the Company is largely dependent upon factors beyond its control, such as the market value of the commodities produced.

Current global economic conditions and financial markets, although recently strong, remain fragile and susceptible to unexpected volatility, and are likely to be so for the foreseeable future. There are also significant uncertainties regarding the price of graphite and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The Company's future performance is largely tied to the development of the Property and its ability to access the capital markets. Future volatility of financial markets as well as any instability of the global economy may result in the Company having difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. In this regard, the Company's strategy is to commence exploration of the Mulloy Project and seek out other prospective resource properties to acquire, while monitoring the global markets and seeking out financing, if and when available, upon terms acceptable to the Board of Directors. The Company believes this focused strategy will enable it to best manage its capital needs while maintaining momentum on key business initiatives.

The Company's exploration activities are subject to various government laws and regulations relating to the protection of the environment, and all phases of the Company's operations are subject to environmental regulation in the Province of Ontario. These environmental regulations are continually changing and generally becoming more restrictive. The Company plans to maintain a policy of operating its business in compliance with all environmental regulations. The Company does not believe that it has any significant environmental obligations in the near future.

Off-Balance-Sheet Arrangements

As of the date hereof, the Company does not have any off-balance-sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the Company.

Proposed Transactions

The Company is not currently contemplating any proposed asset or business acquisitions or dispositions.

Initial Public Offering

Pursuant to an agency agreement dated March 29, 2019 between the Company and Haywood Securities Inc. ("Haywood"), Haywood agreed to act as agent for an IPO by the Company and proposed listing of its Common Shares on the Canadian Securities Exchange (the "CSE"). The IPO involved the issuance of 3,000,000 Common Shares (the "Offered Shares") at a price of $0.10 per share (the "Offering Price"), for aggregate gross proceeds of $300,000 ("Gross Proceeds").

The Company agreed to pay Haywood a cash commission equal to 10% of the Gross Proceeds. In addition, Haywood will also receive a corporate finance fee of $12,500 plus HST, and 100,000 corporate finance warrants plus 300,000 agent's warrants, with each such warrant exercisable at an exercise price equal to the Offering Price and exercisable for a period of 24 months from the date of closing of the IPO.

The proceeds raised from the IPO are intended to be used to fund the exploration work program at the Mulloy Project and for general working capital.

Subsequent to the year end, the Company completed the IPO and the Common Shares are listed on the CSE under the symbol "IM". Also see "Subsequent Events" below.

Selected Annual Financial Information

The following is selected financial data derived from the audited annual financial statements of the Company as at March 31, 2019 and 2018, and for the years then ended.

	Years Ended March 31,	
	2019 ($)	**2018[1] ($)**
Net loss for the period	116,695	46 781
Basic and diluted loss per share	0.02	0.03
Total assets	246,937	73,440

(1) Period from Incorporation (April 19, 2017) to March 31, 2018

- The net loss for the year ended March 31, 2019, consisted primarily of: (i) professional fees of $78,838; (ii) consulting fees of $27,393; and (iii) filing fees of $8,475.
- The net loss for the year ended March 31, 2018, consisted primarily of: (i) professional fees of $44,584; and (ii) general and administrative expenditures of $2,197.

Selected Quarterly Financial Information

A summary of selected financial information of the Company for the most recent eight fiscal quarters are as follows:

Three Months Ended	Total Revenue ($)	Loss (Income) Total ($)	Loss (Income) Per Share ($)
2019 March 31	Nil	27,428	0.00
2018-December 31	Nil	52,012	0.01
2018-September 30	Nil	18,342	0.00
2018-June 30	Nil	18,913	0.00
2018-March 31	Nil	25,451	0.01
2017-December 31	Nil	21,297	0.01
2017-September 30	Nil	22	0.00
2017-June 30*	Nil	10	0.00

*Period from Incorporation (April 19, 2017) to June 30, 2017

- The net loss for the three months ended March 31, 2019, consisted primarily of: (i) professional fees of $24,272; (ii) filling fees of $4,800; and (iii) consulting fees of $1,043.

- The net loss for the three months ended December 31, 2018, consisted primarily of: (i) professional fees of $36,223; (ii) consulting fees of $8,850; (iii) filling fees of $3,675; and (iv) general and administrative expenditures of $3,264.

- The net loss for the three months ended September 30, 2018, consisted primarily of: (i) professional fees of $9,845; (ii) consulting fees of $7,500; and (iii) general and administrative expenditures of $997.

- The net loss for the three months ended June 30, 2018, consisted primarily of: (i) consulting fees of $10,000; (ii) professional fees of $8,498; and (iii) general and administrative expenditures of $415.

- The net loss for the year ended March 31, 2018, consisted primarily of: (i) professional fees of $23,319; and (ii) general and administrative expenditures of $2,132.

- The net loss for the three months ended December 31, 2017, consisted primarily of: (i) professional fees of $21,265 and (ii) general and administrative expenditures of $32.

- The net loss for the year ended September 30, 2017, consisted of general and administrative expenditures of $22.

- The net loss for the period from incorporation (April 19, 2017) to June 30, 2017 consisted of general and administrative expenditures of $10.

Discussion of Operations

Financial Performance

<u>For the three months ended March 31, 2019, compared to the three months ended March 31, 2018.</u>

IM Exploration's net loss totaled $27,428 for the three months ended March 31, 2019, with basic and diluted loss per share of $0.00. This compares with a net loss of $25,452 for the three months ended March 31, 2018, with basic and diluted loss per share of $0.02. The increase in the net loss of $1,976 was principally because:

- For the three months ended March 31, 2019, public reporting costs increased by $4,800. The increase is due to filing fees paid related to the IPO.

- For the three months ended March 31, 2019, general and administrative expenditures decreased due to HST expensed being reallocated.

<u>For the fiscal year ended March 31, 2019, compared to the period from incorporation (April 19, 2017) to March 31, 2018</u>

IM Exploration's net loss totaled $116,695 for the fiscal year ended March 31, 2019, with basic and diluted loss per share of $0.02. This compares with a net loss of $46,781 for the period from incorporation (April

19, 2017) to March 31, 2018, with basic and diluted loss per share of $0.03. The increase in the net loss of $69,914 was principally because:

- For the twelve months ended March 31, 2019, professional fees increased by $34,254. The increase is due to increased legal fees for the review of various agreements, preparation of documents for the IPO, and annual filings, and for audit and accounting fees.

- For the twelve months ended March 31, 2019, consulting fees increased by $27,393. The increase is due to the completion of the Technical Report; as well as consulting contracts for providing strategic advisory services to the Company.

- For the twelve months ended March 31, 2019, filling fees increased by $8,475. The increase is due to filing and listing fees paid related to the IPO.

Cash Flow

The Company had cash of $192,859 (March 31, 2018 - $38,440). The increase in cash and cash equivalents during the twelve months ended March 31, 2019 was primarily due to cash received from the private placements completed, which was offset by the cash used in operating activities.

Cash and cash equivalents used in operating activities was $60,552 for the twelve months ended March 31, 2019. Operating activities were affected by the net increase in non-cash working capital balances because of an increase in accounts payable and accrued liabilities of $75,221; which was partially offset by an increase of $18,825 in prepaid expenditure and $253 in amounts receivable and other assets.

Cash provided by financing activities was $214,971 for the twelve months ended March 31, 2019, primarily because of gross proceeds of $235,000 received from the issuance of Common Shares through private placements.

Net change in cash increased for the twelve months ended March 31, 2019 was $154,419 over a net change in cash for the period ended March 31, 2018 of $38,440. The increase was due to an increase in proceeds from issuances and a decrease in net cash used in investing activities, offset by an increase in net cash used in operating activities.

Liquidity and Capital Resources

The activities of the Company - principally the exploration and development of the Property - are currently financed through the completion of equity offerings. There is no assurance that equity financing will be available to the Company in the amounts or at the times desired or on terms that are acceptable to the Company, if at all.

The Company has no operating revenues and therefore must utilize its funds obtained from equity financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities. The cash resources of IM Exploration are held with major Canadian financial institutions.

The Company's uses of cash at present occur, and in the future are expected to occur, principally in two areas, namely, funding of its general and administrative expenditures and its exploration activities. Those exploration activities include Phase 1 of the exploration and evaluation of the Mulloy Project, as set out in the Technical Report and as summarized above under "Exploration and Projects". Under the Option Agreement, for the Company to acquire 90% of the legal and beneficial right, title and interest in and to the Mulloy Project, the Company has to complete the Feasibility Study. Such a study will involve exploration and data verification. Management may reassess its planned expenditures based on the degree of success of its exploration program, the Company's working capital resources, the scope of work required to advance the exploration of the Mulloy Project, and the overall condition of the financial markets.

The Company's working capital of $111,495 at March 31, 2019, is not anticipated to be adequate to complete the Phase 1 and Phase 2 programs recommended by the Technical Report (see "Overall Performance and Outlook" and "Exploration and Projects" above). The Company will require additional equity financing in order to complete its planned objectives (see "Proposed Transaction" above).

Changes in Accounting Policies

The Company has adopted the following amendment to accounting standards, effective April 1, 2018. This change was made in accordance with the applicable transitional provision.

IFRS 9 Financial Instruments ("IFRS 9")

On July 24, 2014, the IASB issued the completed IFRS 9, Financial Instruments, (IFRS 9 (2014)) to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 (2014) includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 Financial Instruments: recognition and measurement, for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its financial statements on April 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on April 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

Classification	IAS 39	IFRS 9
Cash	FVTPL	Amortized cost
Amounts receivable	Loans and receivables (amortized cost)	Amortized cost
Accounts payable	Other financial liabilities (amortized cost)	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

IFRS 16 - Leases ("IFRS 16")

In January 2016, the IASB issued IFRS 16, replacing IAS 17, "Leases". IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity's lease obligations.

Effective April 1, 2018, the Company adopted the following and there was no material impact on the Company's financial statements.

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonable certain to assess that option; and
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after April 1, 2019. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

(i) IAS 1 – Presentation of Financial Statements ("IAS 1") and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8") were amended in October 2018 to refine the definition of materiality and clarify its characteristics. The revised definition focuses on the idea that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments are effective for annual reporting periods beginning on or after January 1, 2020. Earlier adoption is permitted.

(ii) IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019.

Capital Risk Management

IM Exploration's policy is to maintain a strong capital base so as to maintain investor and creditor confidence, safeguard the Company's ability to support the exploration and development of its exploration and evaluation assets and to sustain future development of the business. The capital structure of the Company consists of equity.

The Company's objective in managing capital is to maintain adequate levels of funding to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral property interests and to maintain a flexible capital structure which will optimize the costs of capital at an acceptable risk.

The Company plans to manage its capital structure in a manner that provides sufficient funding for operational activities through funds primarily secured through equity capital obtained in private placements. There can be no assurances that the Company will be able to continue raising capital in this manner.

Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will be able to continue this form of financing due to the current difficult conditions for junior mineral exploration companies. The Company makes adjustments to its management of capital in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its costs of capital while maintaining an acceptable level of risk.

There are no restrictions on the Company's capital and there were no changes in the Company's approach to capital management during the year.

Financial Instrument Risk Management

Fair value

Fair value is the amount at which a financial instrument could be exchanged between willing parties based on current markets for instruments with the same risk, principal and remaining maturity. Fair value estimates are based on present value and other valuation techniques using rates that reflect those that the Company could currently obtain, on the market, for financial instruments with similar terms, conditions and maturities.

The Company classifies the fair value of the financial instruments according to the following hierarchy based on the observable inputs used to value the instrument:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
Level 2 – Inputs other than quoted prices included in Level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
Level 3 – Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur financial loss. The Company's primary exposure to credit risk is on its cash and other receivable. Cash is held with the same financial institution giving rise to a concentration of credit risk. This risk is managed by using a major Canadian bank that is high credit quality financial institution as determined by rating agencies.

Foreign exchange risk

Foreign currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's exposure to foreign exchange risk is minimal.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is not exposed to significant interest rate 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 has a planning and budgeting process in place to help determine the funds required to support the Company's normal operating requirements on an ongoing basis. Liquidity risk is considered high

Related Party Transactions

Related parties include the Board of Directors and officers, close family members and enterprises that are controlled by these individuals as well as certain persons performing similar functions. Related party transactions conducted in the normal course of operations are measured at the amount agreed to by the related parties.

(a) During the current reporting period the Company entered into the following transactions with related parties:

	Fiscal Year Ended March 31,	
Names	**2018 ($)**	**2017 ($)**
Marrelli Support Services Inc. ("Marrelli Support") (1)	28,531	3,090
2411763 Ontario Incorporated ("2411763 ONT") (2)	7,500	Nil

(1) For the year ended March 31, 2019, the Company expensed $28,531, (period from April 19, 2017 (incorporation) to March 31, 2018 - $3,090) to Marrelli Support for bookkeeping services. Victor Hugo, CFO of the Company, is an employee of Marrelli Support. As at March 31, 2019, Marrelli Support was owed $15,340 (March 31, 2018 - $8,072) and this amount was included in accounts payable and accrued liabilities.

(2) For the year ended March 31, 2019 the Company expensed $7,500 (period from April 19, 2017 (incorporation) to March 31, 2018 - $nil), to 2411763 ONT, for strategic advisory services provided to the Company. 2411763 ONT is a corporation controlled by a director of IM Exploration.

(b) Remuneration of directors and key management personnel:

Salaries expensed to key management personnel and directors for the year ended March 31, 2019 was $nil (for the three months and for the period from incorporation (April 19, 2017) to March 31, 2018 - $nil). Key management personnel are comprised of the Company's CEO and CFO.

(c) Insider shareholdings

During the year ended March 31, 2019, insiders subscribed for 2,100,000 Common Shares, at a price of $0.05 per Common Share, in tranches 1 and 2 of the July private placements.

Share Capital

As of the date of this MD&A, the Company had 10,400,000 issued and outstanding Common Shares.

Stock options outstanding for the Company at the date of this MD&A were as follows, with each stock option exercisable to acquire one Common Share:

Options	Expiry Date	Exercise Price
725,000	May 29, 2024	$0.10
100,000	July 2, 2024	$0.10

Warrants outstanding for the Company at the date of this MD&A were as follows, with each warrant exercisable to acquire one Common Share:

Warrants	Expiry Date	Exercise Price
400,000	May 29, 2021	$0.10

Disclosure of Internal Controls

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Company's financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the financial statements; and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), this MD&A does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers of the Company are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the Company's GAAP (IFRS).

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this MD&A. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Risks and Uncertainties

The Company is in the business of exploring mineral properties, which is a highly speculative endeavor. An investment in Common Shares should be undertaken only by investors whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position and financial performance.

Option Over the Property

The Company's right to exercise its option over the Property will be dependent upon its compliance with the Option Agreement. Option payments must be made and the Feasibility Study must be completed in order to exercise the option. The Company has paid the cash payment and issued the Common Shares stipulated in the Option Agreement. There can be no assurance that the Company will be able to comply with the other provisions of the Option Agreement, including that the Company complete the Feasibility Study to exercise its option. If the Company is unable to fulfil the requirements of the Option Agreement, it is likely that it would be considered in default of such agreement and the agreement could be terminated, resulting in the loss of all rights to the Property, and the loss of all option payments made and expenditures incurred pursuant to the option to the date of termination. Additional funding will be required to fund the work expenditure commitments on the Property. There is no assurance that such funds will be available. Failure to obtain adequate financing or to complete exploration on a timely basis could result in the loss of the Company's right to exercise the Property option.

Insufficient Capital

The Company does not currently have any revenue producing operations and may, from time to time, report a working capital deficit. To maintain its activities, the Company will require additional funds which may be obtained either by the sale of equity capital or by entering into an option or joint venture agreement with a third party providing such funding. There is no assurance that the Company will be successful in obtaining such additional financing; failure to do so could result in the loss of the Company's interest in the Property. The Company's unallocated working capital will not suffice to fund the recommended Phase 2 exploration program on the Property and there is no assurance that the Company can successfully obtain additional financing to fund such Phase 2 program.

Financing Risks

The Company has no history of earnings and, due to the nature of its business, there can be no assurance that the Company will ever be profitable. The only present source of funds available to the Company is through the sale of its Common Shares. Even if the results of exploration are encouraging, the Company may not have sufficient funds to conduct the further exploration that may be necessary to determine whether or not a commercially mineable deposit exists on the Property, or any additional properties in which the Company may acquire an interest. While the Company may generate additional working capital through further equity offerings or, if applicable, through the sale or option or joint venture of its properties, there is no assurance that any such funds will be available on terms acceptable to IM Exploration, or at all. If available, future equity financing may result in substantial dilution to existing shareholders. At present it is impossible to determine what amounts of additional funds, if any, may be required.

Limited Operating History and Negative Operating Cash Flow

The Company has a limited history of operations and is in the preparatory phase of commencing work on the Mulloy Project. There are no known commercial quantities of mineral reserves on the Property.

To the extent that the Company has a negative operating cash flow in future periods, the Company may need to allocate a portion of its cash reserves to fund such negative operating cash flow. The Company may also be required to raise additional funds through the issuance of equity or debt securities.

If the Company is unable to generate revenues or obtain such additional financing, any investment in the Company may be lost..

Price Volatility of Publicly Traded Securities

In recent years, the securities markets in Canada and elsewhere have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in share prices will not occur. It may be anticipated that any quoted market for the Common Shares will be subject to market trends generally, notwithstanding any potential success of the Company in exploring the Property or creating revenues, cash flows or earnings. The value of the Common Shares will be affected by such volatility.

An active public market for the Common Shares might not develop or be sustained. If an active public market for the Common Shares does not develop, the liquidity of a shareholder's investment may be limited and the share price may decline.

Property Interests

The Company does not own the mineral rights pertaining to the Property. Rather, it holds an option to acquire a 90% interest in the Property. There is no guarantee the Company will be able to raise sufficient funding in the future to undertake the Feasibility Study in order to exercise its option with respect to the Property. Furthermore, the Company's capacity to provide the Feasibility Study is uncertain. If the Company fails to undertake the Feasibility Study, the Company may lose its interest in the Property without any recourse. If IM Exploration loses or abandons its interest in the Property, there is no assurance that it will be able to acquire another mineral property of merit or that such an acquisition would be approved by the CSE. There is also no guarantee that the CSE will approve the acquisition of any additional properties by the Company, whether by way of option or otherwise, should the Company wish to do so.

In the event that IM Exploration acquires a 90% interest in the Property, there is no guarantee that title to the Property will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers, or aboriginal or indigenous land claims, or title may be affected by undetected defects. Land surveys have not been carried out on the Property; therefore, the Property's existence and area could be in doubt. Until competing interests in the mineral lands have been determined, the Company can give no assurance as to the validity of title of the Company to those lands or the size of such mineral lands.

First Nations Land Claims

First Nations rights may be claimed on Crown properties or other types of tenure with respect to which mining rights have been conferred. The Supreme Court of Canada's 2014 decision in Tsilhqot'in Nation v. British Columbia marked the first time in Canadian history that a court has declared First Nations title to lands outside of reserve land. The Property may now or in the future be the subject of aboriginal or indigenous land claims. The legal nature of aboriginal land claims is a matter of considerable complexity. The impact of any such claim on the Company's ownership interest in the Property cannot be predicted with any degree of certainty and no assurance can be given that a broad recognition of aboriginal rights in the area in which the Property is located, by way of a negotiated settlement or judicial pronouncement, would not have an adverse effect on the Company's activities. Even in the absence of such recognition, the Company may at some point be required to negotiate with and seek the approval of holders of aboriginal interests in order to facilitate exploration and development work on the Property, and there is no assurance that the Company will be able to establish a practical working relationship with any First Nations in the area which would allow it to ultimately develop the Property. The Property is under the care of Constance Lake First Nation, and therefore Aboriginal Consultation is required prior to work on the Property, according to the Mining Act (Ontario).

Exploration and Development

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. The Property is considered to be in the early exploration and development stage. At present, no mineral resources have been identified at the Property. There is no certainty that further exploration and development will result in the identification of indicated or measured resources, or probable or proven reserves, at the Property, or that if any mineral resources or reserves are defined at the Property that that the anticipated tonnages and grades will be achieved or that the indicated level of recovery will be realized.

The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the control of the Company and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of milling facilities, mineral markets and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals, and environmental protection, the combination of which factors may result in the Company not receiving an adequate return of investment capital.

There is no assurance that the Company s mineral exploration and development activities will result in any discoveries of commercial bodies of ore on the Property or elsewhere. The long-term profitability of the Company's operations will in part be directly related to the costs and success of its exploration programs, which may be affected by a number of factors. Substantial expenditures are required to establish reserves through drilling and to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Uninsurable Risks

In the course of exploration and development of mineral properties, certain risks may occur, including in particular unexpected or unusual geological operating conditions such as rock bursts, cave-ins, fires, flooding and earthquakes. It is not always possible to fully insure against such risks and the Company may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability by the Company and result in increasing costs and a corresponding decline in the value of the Common Shares.

Permits

The mineral exploration operations of the Company may require permits from various federal, provincial and local governmental authorities and will be governed by laws and regulations on prospecting, development, mining, production, export, taxes, labour standards, occupational health, waste disposal, land use, environmental protections, mine safety and other matters. There can be no guarantee that the Company will be able to obtain all necessary permits and approvals that may be required to undertake exploration activity or commence construction or operation of mine facilities on the Property. The Company currently does not have any such permits in place.

Environmental Laws and Regulations

Environmental laws and regulations may affect the operations of the Company. These laws and regulations set various standards regulating certain aspects of health and environmental quality. They provide for penalties and other liabilities for the violation of such standards and establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted. The permission to operate can be withdrawn temporarily where there is evidence of serious breaches of health and safety standards, or even permanently in the case of extreme breaches. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of acquired properties, or non-compliance with environmental laws or regulations. The Company intends to minimize risks by taking steps to ensure compliance with environmental, health and safety laws and regulations and operating to applicable environmental standards. There is a risk that environmental laws and regulations may become more onerous, making the Company's operations more expensive.

Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the

Company and cause increases in capital expenditures or require abandonment or delays in development of new mining properties.

Competition

The mining industry is intensely competitive in all its phases and the Company competes with other companies that have greater financial resources and technical facilities. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future and to engage qualified personnel to explore and develop the Property.

Fluctuating Mineral Prices

The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of industrial and base minerals and metals. Factors beyond the control of the Company may affect the marketability of metals discovered, if any. Metal prices have fluctuated widely, particularly in recent years. Consequently, the economic viability of the Mulloy Project and any other exploration projects the Company may acquire from time to time cannot be accurately predicted and may be adversely affected by fluctuations in mineral prices. In addition, currency fluctuations may affect the cash flow which the Company may realize from its operations, since most mineral commodities are sold in the world market in United States dollars.

Conflicts of Interest

Some of the directors and officers of the Company are engaged and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the *Canada Business Corporations Act*. Any director or officer in a position of conflict will declare such conflict to the Company's Chief Executive Officer and/or board of directors, as appropriate. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting transaction.

Personnel

The Company has a small management team and Board of Directors and the loss of any key individual could adversely affect the Company's business. Additionally, the Company will be required to secure other personnel to facilitate its exploration program on the Property. Any inability to secure and/or retain appropriate personnel may have a materially adverse impact on the business and operations of the Company.

Subsequent Events

On May 29, 2019, IM Exploration completed its IPO. See "Proposed Transactions" above.

On May 29, 2019, the Company issued 300,000 Common Shares in regard to the Option Agreement (see "Exploration and Projects" above);

On May 29, 2019, the Company granted an aggregate of 725,000 stock options to directors and officers and a consultant of the Company at an exercise price of $0.10 with an expiration date of 5 years.

On July 2, 2019, the Company granted an aggregate of 100,000 stock options to a consultant of the Company at an exercise price of $0.10 each with an expiration date of 5 years.

Additional Disclosure for Venture Issuers without Significant Revenue

	Period Ended March 31,	
	2019 ($)	**2018 ($)**
General and Administrative		
Accounting fees	28,480	7,721
Audit fees	11,950	12,500
Consulting fees	27,393	Nil
Legal fees	38,408	24,363
Listing fees	8,475	Nil
Office and general	1,989	2,197
Total	**116,695**	**46,781**
Property Exploration and Evaluation (Mulloy Project)		
Acquisition	Nil	15,000
Total	**Nil**	**15,000**