

**SAVILLE RESOURCES INC.**  
**MANAGEMENT DISCUSSION & ANALYSIS**  
**For the Year ended April 30, 2020**

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The following is a discussion and analysis of the operations, results, and financial position of Saville Resources Inc. (the “Company”) for the year ended April 30, 2020, and should be read in conjunction with the audited financial statements for the year ended April 30, 2020, which have been prepared in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

The effective date of this report is July 28, 2020.

## **DESCRIPTION OF BUSINESS**

Saville is an exploration stage company engaged in the business of acquiring, exploring and, if warranted, developing mineral resource properties and placing such properties into production. The Company holds interests in mineral properties in British Columbia and Quebec and is looking at expanding its portfolio of mineral properties. The Company’s current properties do not contain a known ore body. The Company owns no producing properties and, consequently, has no current operating income or cash flow. Operations are primarily funded by equity subscriptions.

## **YEAR-TO-DATE HIGHLIGHTS**

- On June 3, 2019, the Company announced assay results for the first drill hole of its drill program at the Niobium Claim Group Property. Drill hole EC19-171 returned significant intervals of mineralization including 0.70% Nb<sub>2</sub>O<sub>5</sub> over 38.3 m, including 1.10% Nb<sub>2</sub>O<sub>5</sub> over 5.4 m, at the Mallard Target.
- On June 6, 2019, the Company announced assay results for the second and third drill holes at the Mallard Target on its Niobium Claim Group Property. Drill holes EC19-172 and 173 returned 0.67% Nb<sub>2</sub>O<sub>5</sub> over 27.0 m, including 1.03% Nb<sub>2</sub>O<sub>5</sub> over 5.3 m (EC19-172), and 0.66% Nb<sub>2</sub>O<sub>5</sub> over 14.5 m, including 0.78% Nb<sub>2</sub>O<sub>5</sub> over 8.8 m (EC19-173). In addition, the widest high-grade tantalum intercept to date on the Property was returned from drill hole EC19-172 at 274 ppm Ta<sub>2</sub>O<sub>5</sub> over 100.8 m, including 373 ppm Ta<sub>2</sub>O<sub>5</sub> over 46.7 m.
- On June 11, 2019, the Company announced the remaining assay results from its recently completed drill program at the Niobium Claim Group Property. Drill hole EC19-174A returned the strongest and widest intervals of niobium mineralization to date on the Property. Starting from only 17 m depth (core length), results included 0.80% Nb<sub>2</sub>O<sub>5</sub> over 31.5 m, including 0.98% Nb<sub>2</sub>O<sub>5</sub> over 13.5 m or 1.36% Nb<sub>2</sub>O<sub>5</sub> over 4.5 m, as well as a second sub-interval of 1.04% Nb<sub>2</sub>O<sub>5</sub> over 7.7 m. This near surface mineralization was followed by a second well-mineralized interval, starting from 96.5 m depth (core length), which assayed 0.79% Nb<sub>2</sub>O<sub>5</sub> over 37.0 m, including 1.01% Nb<sub>2</sub>O<sub>5</sub> over 7.5 m, as well as a third mineralized horizon assaying 0.67% Nb<sub>2</sub>O<sub>5</sub> over 20.0 m.
- On August 28, 2019, the Company announced the appointment of Mrs. Alicia Milne to the Board of Directors and accepted the resignation of Mr. Harold Burgess.
- On September 16, 2019, the Company provided an update on the Phase II exploration plans for the Niobium Claim Group Property. Based on the strong results of the Phase I drill program, a Phase II is being planned for the first half of 2020 and will focus on further delineation of the mineralization at Mallard as the prospect advances towards an initial mineral resource estimate.

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- On November 26, 2019, the Company highlighted to its shareholders the fluor spar potential of the Mallard Prospect on the Niobium Claim Group Property. This potential is summarized in the recent technical report completed on the property (effective date May 28, 2018), where the author states: "The encouraging intersections of fluorite mineralization discovered in 2008, in drill holes EC08-015 and 016, were further expanded in 2010, with all four holes intersecting the unit. Drill holes EC10-033 and 044 returned some of the highest-grade intercepts to date. The fluorite zones remain to be modeled and intercepts correlated; however, the data indicates a strong potential for a fluorite zone of significance to be present. Further, although intersected at depth, the mineralization has potential to extend to surface given the sizable intervals over multiple holes, and the moderate to steep dip interpreted for the unit."
- On February 6, 2020, the Company announced that preliminary mineralogical analysis has been completed on a suite of rock samples from the Mallard Prospect, situated within the Niobium Claim Group Property, Quebec. The analysis indicated that pyrochlore and columbite are the dominant niobium minerals present, niobium has been mobilized which could enhance the grade of a deposit, and that the mineralogy supports the model of a continuous niobium mineralized trend through the complex.
- On February 6, 2020, the Company granted 5,225,000 stock options to certain directors, officers, employees and consultants of the Company. All options vest immediately upon the grant date and are exercisable for 5 years at a price of \$0.05 per common share. Of the total, 2,700,000 were issued to directors and officers of the Company.
- On March 2, 2020, the Company announced the assay results for the Bud Property. The 2019 field program consisted of the collection of 14 rock grab samples from bedrock from both the western portion of the property and the area along the historical Mother Lode Road gossan showing. Four of the 14 samples returned gold values greater than 0.25 g/t and two of the 14 samples returned copper values greater than 0.60 %.
- On March 2, 2020, the Company entered into a property sales transaction with Ximen Mining Corp. ("Ximen") to sell its 100% interest in the Bud Property, located in southern British Columbia. Ximen issued 388,888 shares of Ximen upon closing of the agreement as the Bud property's acquisition consideration.
- On July 23, 2020, the Company announced that further review of the historical drill logs, coupled with the findings from the recent 2019 drilling from the Mallard area of its Niobium Claim Group Property, QC, has outlined a mineralized fluor spar trend, within the primary niobium trend, which is broader and more extensive than previously understood. The finding also suggests that high-grade niobium zones have the potential to overlap with high-grade fluor spar zones and highlights a key style of mineralization to target within these two overlapping trends.

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**RESOURCE PROPERTIES**

**Niobium Claim Group Property**

On January 11, 2018, the Company entered into an exploration Earn-in Agreement with Commerce Resources Corp. (“Commerce”) for a group of claims (collectively termed “the Niobium Claim Group Property”), that comprise a subset of claims within the Eldor Property, QC, which is wholly owned by Commerce. Under the exploration Earn-in Agreement, the Company has agreed to perform \$5M CAD of exploration expenditures on the Niobium Claim Group Property (the “Property”) over a five-year period to earn a 75% interest in the claims. The Company made a payment of \$25,000 upon signing and a payment of \$225,000 following TSX Venture Exchange approval on October 11, 2018. Commerce will retain a 2% Net Smelter Royalty (NSR) on production from some of the claims with a 1% NSR buyback for \$1M CAD, and a 1% NSR on the claims that are already subject to royalties. An NI 43-101 Technical Report on the Property was completed subsequent to execution of the Agreement, and recommendations provided.

The Technical Report recommended a two-phase exploration approach for the Property. Phase I was recommended to focus on refining drill targets and included geological modelling of historic drill intercepts, as well as surface follow-up. Phase II was recommended to include 6,000 metres of diamond drilling to test new targets, as well as further evaluate and expand known mineralized horizons. Overall, the work was recommended to focus on the Southeast Area (i.e. the Mallard Prospect), where the strongest potential has been identified, as well as the Miranna Target. The estimated budget proposed was \$693,000 for Phase I and \$5,132,000 for Phase II, for a combined total budget of \$5,825,000.

In fall 2018, the Company executed a surface exploration program consisting of prospecting and rock sampling as well as a ground magnetic geophysical survey. On December 5, 2018, the Company announced the results of the program with 14 rock samples assaying >0.80% Nb<sub>2</sub>O<sub>5</sub> to a peak of 1.50% Nb<sub>2</sub>O<sub>5</sub>. The surface work was followed-up with the Company’s maiden drill program on the Property, focused on the Mallard Target (also known as the Mallard Prospect). The objective of the program was to test the south-eastern extension of the high-grade and near-surface intercepts returned historically from drill hole EC10-033. The program was highly successful and returned the best niobium drill intercepts to date completed on the Property, highlighted by drill hole EC19-174A which assayed 0.80% Nb<sub>2</sub>O<sub>5</sub> over 31.5 m, including 0.98% Nb<sub>2</sub>O<sub>5</sub> over 13.5 m or 1.36% Nb<sub>2</sub>O<sub>5</sub> over 4.5 m, as well as several other high-grade intercepts down hole. The 2019 drill program extended the mineralized strike at Mallard to the southeast by approximately 100 m, and further, is marked by a notable increase in grade and width of the mineralized horizon(s).

In early 2020, a preliminary mineralogical analysis was completed on a suite of rock samples from the Mallard Prospect. The analysis indicated that 1) pyrochlore and columbite are the dominant niobium minerals present, 2) niobium has been mobilized which is a mechanism that could enhance the grade of a deposit, and 3) the mineralogy supports the model of a continuous niobium mineralized trend through the complex.

The Mallard Prospect is the most advanced prospect on the Property, with 2,490 m over nine (9) drill holes completed historically (2008 and 2010), and 1,049 m over five (5) drill holes now completed by the Company (2019). Coupled with the strong mineralization returned historically, the Company’s initial drill program at Mallard will provide the foundation for the intended advancement towards an initial mineral resource estimate. Further drilling at Mallard as well as several other high-priority targets, including Miranna, is planned. The 2019 exploration of the Property is being carried out by Dahrouge Geological Consulting Ltd. and managed out of Quebec.

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**Covette Property**

On November 27, 2017, the Company announced that it has entered into an agreement with Zimtu Capital Corp. (“Zimtu”) to acquire a 100% interest in and to the Covette Property, located in the James Bay Region of Quebec. The Covette Property is located approximately 190 km east of Raddison and 10 km north of the all-weather Trans-Taiga road and adjacent LG-3 transmission line. In exchange for 100% of the right, title, and interest in and to the Covette Property, consisting of 65 mineral claims, the Company paid the vendor \$350,000 in cash. This transaction approved by the TSX Venture Exchange on June 28, 2018.

In early 2017, a 1,402-line kilometer airborne electromagnetic survey (VTEM) was flown and indicated several anomalies of interest on the property. The anomalies were followed up on during a five-day reconnaissance program carried out in late August 2017. Geochemical results from grab sampling returned anomalous metal values including 0.18% Ni, 0.09% Cu, and 87 ppm Co. In mid-June 2018, a 2-day ground-based reconnaissance program was initiated on the property, and nine samples were collected from an oxidized and foliated amphibolitic rock unit. The samples were sent to AGAT laboratories for assay with the best sample returning values of 1.2% zinc and 68.7 g/t silver. Elevated values of 0.13% to 0.19% nickel were also returned from the other samples collected.

In addition to the exploration work, a NI 43-101 Technical Report was completed on the Property, with effective date April 15, 2018, has been accepted by the TSX Venture Exchange.

On February 20, 2019, the Company entered into an option agreement with Astorius Resources Ltd. (“Astorius”) to sell its 100% interest in the Covette Property, located in the James Bay Region in the Province of Quebec. Under the terms of the Option Agreement, Astorius will acquire a 100% interest and rights in the property by paying an aggregate of \$1,250,000 in cash (\$25,000 received during the year ended April 30, 2019 and \$25,000 received during the nine months ended January 31, 2020), payable over 36 months of signing the agreement. A 2% Net Smelter Return (“NSR”) is included in the agreement payable to the Company. Astorius must spend a minimum of \$300,000 qualified exploration and development expenditures by February 5, 2021. The agreement was terminated by Astorius on January 21, 2020.

**Bud Property**

In July 2018, as a result of the completion of option payments, all mineral titles have been converted over to the Company in the British Columbia Mineral Titles Database.

On April 3, 2019 the Company announced surface sampling results from a September 2018 field program completed on the property. The program was carried out by the Company’s President and CEO, Mike Hodge, under the supervision of Director Nick Rodway, P.Geol. The program consisted of the collection of 21 grab rock samples from bedrock with a peak sample assay of 4.57 g/t Au, 27.7 g/t Ag, and 6.70% Cu. In addition, 7 of the 20 samples collected returned values greater than 1.0 g/t Au and 1.0% Cu.

On March 2, 2020 the company announced an exploration update on the Bud Property located in Greenwood B.C. Saville’s 2019 field program consisted of the collection of 14 rock grab samples from bedrock from both the western portion of the property and the area along the historical Mother Lode Road gossan showing. Four of the 14 samples returned gold values greater than 0.25 g/t and two of the 14 samples returned copper values greater than 0.60 %.

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On March 2, 2020, the Company entered into a property sales transaction with Ximen Mining Corp. (“Ximen”) to sell its 100% interest in the Bud Property, located in southern British Columbia. Ximen issued 388,888 shares of Ximen upon closing of the agreement as the Bud property’s acquisition consideration.

**RESULTS OF OPERATIONS**

The net loss for the year ended April 30, 2020 was \$842,981 compared to a net loss of \$424,217, for the year ended April 30, 2019, an increased loss of \$418,764. The increase is mainly attributed to share-based compensation, loss on the sale of property, and deferred tax recovery, all offset by savings in general expenses. During the year ended April 30, 2020 the significant differences from the prior year include the following:

- advertising and travel expenses decreased to \$97,290 (2019 – \$165,020) due to reduced promotion of business activities during the current year,
- salaries and consulting fees decreased to \$117,663 (2019 - \$177,444) due to reduced outside consultants to hired compared to the prior year,
- professional fees decreased to \$18,504 (2019 – \$33,377) related to the legal costs associated with the Company’s new property acquisitions in the prior year,
- transfer agent and filing fees decreased to \$12,248 (2019 - \$25,873) due to additional costs in the prior year related to the stock option plan, filing of property agreements, and related regulatory fees,
- share-based compensation increased to \$196,217 (2019 - \$nil) as the Company granted options to directors, officers, employees, and consultants,
- loss on sale of property increased to \$246,079 (2019 - \$nil) from the sale of the Bud Property,
- unrealized loss on marketable securities increased to \$21,389 (2019 - \$nil) based on the fair market value of the shares received for the Bud Property during the year,
- gain on government grant increased to \$20,364 (2019 - \$nil) based on the fair value of loan, and
- deferred tax recover decreased to \$nil (2019 - \$131,310) based on flow-through share recoveries in the prior year.

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**SELECTED FINANCIAL INFORMATION**

Quarterly data for the last eight quarters:

	<b>April 30, 2020</b>	<b>January 31, 2020</b>	<b>October 31, 2019</b>	<b>July 31, 2019</b>	<b>April 30, 2019</b>	<b>January 31, 2019</b>	<b>October 31, 2018</b>	<b>July 31, 2018</b>
Revenues	-	-	-	-	-	-	-	-
G&A Expenses	286,963	96,481	93,009	123,690	149,866	149,110	196,747	62,199
Other loss (Income)	247,064	-	-	(4,226)	(3,823)	2,074	(646)	-
Net Loss (Income)	534,027	96,481	93,009	119,464	28,766	138,192	195,706	61,553
-per share	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
-per share-diluted	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Assets	1,854,847	2,116,533	2,234,985	2,333,922	2,781,395	2,619,266	2,519,801	1,347,195
Liabilities (L.T.)	19,636	-	-	-	-	-	-	-
Cash Dividends	-	-	-	-	-	-	-	-
Working Capital (Deficiency)	210,569	19,964	120,946	223,588	380,298	1,084,926	1,138,361	500,939
Share Capital:								
-Authorized	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
-Outstanding	63,415,400	63,415,400	63,415,400	63,415,400	63,415,400	63,325,400	58,126,734	30,868,714
-Warrants	18,980,020	19,605,020	26,582,020	28,582,020	42,770,353	42,680,353	42,680,353	23,790,333
-Options	5,225,000	-	-	-	-	-	-	-

The net loss for the three months ended April 30, 2020 was \$534,027 compared to a net loss of \$28,766 for the three months ended April 30, 2019, an increased loss of \$505,261. The increase is mainly attributed to share-based compensation, loss on the sale of property, and deferred tax recovery, all offset by savings in general expenses. During the three months ended April 30, 2020 the significant differences from the prior year's period include the following:

- advertising and travel expenses decreased to \$4,438 (2019 – \$60,778) due to reduced promotion of business activities during the current period,
- share-based compensation increased to \$196,217 (2019 - \$nil) as the Company granted options to directors, officers, employees, and consultants,
- loss on sale of property increased to \$246,079 (2019 - \$nil) from the sale of the Bud Property,
- unrealized loss on marketable securities increased to \$21,389 (2019 - \$nil) based on the fair market value of the shares received for the Bud Property during the year,
- gain on government grant increased to \$20,364 (2019 - \$nil) based on the fair value of loan, and
- deferred tax recover decreased to \$nil (2019 - \$117,277) based on flow-through share recoveries in the prior year.

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**Table 1 – Share Capital**

	<b>July 28, 2020</b>	<b>April 30, 2020</b>	<b>April 30, 2019</b>
Shares	63,415,400	63,415,400	63,415,400
Warrants	18,980,020	18,980,020	42,770,353
Stock options	5,225,000	5,225,000	-
Fully Diluted	<b><u>87,620,420</u></b>	<b><u>87,620,420</u></b>	<b><u>106,185,753</u></b>

On August 9, 2018, the Company closed the first tranche of its non-brokered private placement. The Company issued 10,270,000 units (“Units”) at a price of \$0.05 per share for gross proceeds of \$513,500, and 6,070,000 flow-through shares (“FT Shares”) at a price of \$0.06 per share, for gross proceeds of \$364,200, for total gross proceeds of \$877,700.

On September 28, 2018, the Company closed the second tranche of its non-brokered Private Placement. The Company issued 8,620,020 Units at a price of \$0.05 per share for gross proceeds of \$431,001, and 2,298,000 FT Shares at a price of \$0.06 per share, for gross proceeds of \$137,880, for total gross proceeds of \$568,881. Each Unit consists of one common share and one share purchase warrant (“Warrant”). Each Warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of 24 months from issuance. In connection with the completion of the Private Placement, the Company has paid a finder’s fee in the amount of \$27,600. Certain insiders of the Company participated in the financing.

On December 27, 2018, the Company issued 5,198,666 flow through shares at a price of \$0.06 per share, for gross proceeds of \$311,920. In connection with the completion of the Private Placement, the Company has paid finder’s fees in the amount of \$23,192 to certain finders.

On February 4, 2019, the Company closed the second tranche of its non-brokered Private Placement. The Company issued 90,000 Units at a price of \$0.05 per share for gross proceeds of \$4,500. Each Unit consists of one common share and one share purchase warrant (“Warrant”). Each Warrant will entitle the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of 36 months from issuance.

On February 6, 2020, the Company granted 5,225,000 stock options to certain directors, officers, employees and consultants of the Company. All options vest immediately upon the grant date and are exercisable for 5 years at a price of \$0.05 per common share. Of the total, 2,700,000 were issued to directors and officers of the Company.

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**SELECTED ANNUAL INFORMATION**

	<b>Year ended</b>	<b>Year ended</b>	<b>Year ended</b>
	<b>April 30, 2020</b>	<b>April 30, 2019</b>	<b>April 30, 2018</b>
Revenues	-	-	-
G & A Expenses	600,143	557,922	310,488
Net Loss	842,981	424,217	365,238
(Loss) Earnings per share - basic and diluted	(0.01)	(0.01)	(0.02)
Working Capital (Deficiency)	210,569	380,298	852,277
Total Assets	1,854,847	2,781,395	1,364,061
Exploration and evaluation assets	1,586,741	2,044,140	453,856
Liabilities (L.T.)	19,636	-	-
Cash dividends	-	-	-

**Other MD&A Requirements**

Risk Factors

An investment in securities of the Company is speculative and involves significant risks and uncertainties which should be carefully considered by prospective investors before purchasing such securities. The occurrence of any one or more of these risks and uncertainties could have a material adverse effect on the value of any investment in the Company and on the business, prospects, financial position or operating results of the Company. The risks noted below do not necessarily comprise all those faced by the Company.

- The Company faces liquidity issues that threaten its ability to continue as a going concern. The Company has no current source of operating revenue. Should there be a funding shortfall, there can be no assurance that financing would be available on terms acceptable to the Company. There can be no assurance that management will be able to adequately reduce costs or secure additional financing if required. If funding is not obtained in a timely manner, the Company may not be able to continue as a going concern.
- Fluctuations in the market prices of minerals will affect the profitability of the Company's operations and its financial condition. The Company's revenues, if any, are expected to be in large part derived from the extraction and sale of minerals or interests related thereto. The price of those commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control, including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new extraction developments and improved extraction and production methods. The effect of these factors on the price of minerals, and therefore the economic viability of any of the Company's current exploration projects cannot accurately be predicted.
- The Company's potential profitability is partly dependent upon factors beyond the Company's control. As with other enterprises in the mining industry, the Company's mineral exploration and development related activities are subject to conditions beyond the Company's control that may impact upon the potential profitability of its mineral projects. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental interference, currency pegging and/or controls and respond to changes in domestic, international, political, social and economic environments.

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- Another factor is that rates of recovery of minerals from mined ore may vary from the rates experienced in tests and a reduction in the recovery rates will adversely affect profitability and, possibly, the economic viability of its projects.

Profitability will also depend on the costs of operations, including costs of labour, equipment, electricity, environmental compliance, diesel prices and other production inputs, the discovery and/or acquisition of additional mineral reserves and mineral resources, the successful conclusion of feasibility and other mining studies, access to adequate capital for project development and sustaining capital, design and construction of efficient mining and processing facilities within capital expenditure budgets; securing and maintaining title to concessions and other mining rights, obtaining permits, consents and approvals necessary for the conduct of exploration, development, construction and production, the ability to procure major equipment items and key consumables in a timely and cost-effective manner. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control, and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide political and economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to predict. These changes and events may materially affect the Company's financial performance.

#### Global Risks

Early in 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. The Company's ability to raise the additional capital required for Phase II may be affected by the current uncertainties of the global market

#### Liquidity and Capital Resources

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they come due. The Company manages this risk by careful management of its working capital to ensure its expenditures will not exceed share capital financings or proceeds from property sales or options. At April 30, 2020, the Company had working capital of \$210,569 (April 30, 2019 – \$380,298).

The Company's ability to continue as a going concern is dependent upon the Company's ability to satisfy its liabilities as they become due and to obtain the necessary financing to complete the exploration and development of its mineral property interests, the attainment of profitable mining operations. Management is actively engaged in the review and due diligence of opportunities of merit in the mining sector and is seeking to raise the necessary capital to meet its funding requirements. The conditions described above may cast significant doubt as to the appropriateness of the use of the going concern assumption. Management of the Company does not expect that cash flows from the Company's operations will be sufficient to cover all of its operating requirements, financial commitments and business development priorities during the next twelve months. Accordingly, the Company expects that it will need to obtain further financing in the form of debt, equity or a combination thereof for the next twelve months. There can be no assurance that additional funding will be available to the Company, or, if

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available, that this funding will be on acceptable terms. If adequate funds are not available, the Company may be required to delay or reduce the scope of any or all of its development projects.

Financial Instruments

Fair Value

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.

At April 30, 2020, the Company's marketable securities were measured at FVTPL and is using Level 1 inputs.

The Company's other financial assets and liabilities measured at amortized cost, including cash, short-term investment and accounts payable and accrued liabilities, the fair values of these financial instruments approximate their carrying values due to the relatively short-term maturity of these instruments.

The fair value of the Company's loan payable as at April 30, 2020, the initial recognition date, is using Level 2 inputs.

The Company is exposed to a variety of financial instrument related risks. The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Financial instruments that potentially subject the Company to concentrations of credit risks consist principally of cash. To minimize the credit risk the Company places these instruments with a high credit quality financial institution.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company ensures that there is sufficient working capital to fund its ongoing operating expenditures, after taking into account cash flows from operations and the Company's holdings of cash and short-term investment. As at April 30, 2020, the Company had working capital of \$210,569 (2019 - \$380,298).

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Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in its last three financial years, the following is a breakdown of the material costs incurred:

	Year ended April 30		
	2020	2019	2018
Capitalized Exploration and Evaluation Costs	\$1,586,741	\$2,044,140	\$453,856
Capitalized Property held for Sale	Nil	Nil	Nil
General and Administration Expenses	\$600,143	\$557,922	\$310,488
Gain on sale of marketable securities	Nil	Nil	Nil
Gain (loss) on sale of mineral properties	(\$246,079)	Nil	Nil

The components of exploration and evaluation assets are as follows:

	Niobium Claim Group Property	Covette Property	Bud Property	Total
Balance, April 30, 2018	\$ 71,966	\$ -	\$ 381,890	\$ 453,856
Acquisition costs – cash	225,000	350,000	-	575,000
Assays	15,944	486	1,205	17,635
Drilling	147,030	-	-	147,030
Field supplies and rentals	89,130	-	-	89,130
Geological expenses	388,932	-	9,400	398,332
Insurance	1,205	-	-	1,205
Permitting	3,094	4,157	-	7,251
Travel and accommodation	365,208	12,895	1,598	379,701
Total property costs for the year	1,235,543	367,538	12,203	1,615,284
Less: Option fee received	-	(25,000)	-	(25,000)
Balance, April 30, 2019	\$ 1,307,509	\$ 342,538	\$ 394,093	\$ 2,044,140
Acquisition costs – cash	-	250	-	250
Assays	34,905	-	783	35,688
Field supplies and rentals	6,834	-	-	6,834
Geological expenses	18,963	6,339	-	25,302
Travel and accommodation	7,015	-	1,421	8,436
Total property costs for the year	67,717	6,589	2,204	76,510
Less: Mining tax credits	(112,612)	-	(2,441)	(115,053)
Less: Proceeds received	-	(25,000)	(147,777)	(172,777)
Less: loss on sale of property	-	-	(246,079)	(246,079)
Balance, April 30, 2020	\$ 1,262,614	\$ 324,127	\$ -	\$ 1,586,741

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**RELATED PARTY TRANSACTIONS**

The Company incurred the following transactions in the normal course of operations during the years ended April 30, 2020 and 2019:

<b>Key Management Compensation</b>	<b>2020</b>	<b>2019</b>
Salaries and consulting fees	\$ 96,000	\$ 78,000

During the year ended April 30, 2020, the Company granted 2,700,000 options to its officers and directors (2019 - Nil).

The transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

As at April 30, 2020 and 2019, there was \$nil due from (to) the related parties of the Company.

**COMMITMENTS**

On June 1, 2017, the Company entered into a Management & Administration Agreement (“Agreement”) with Zimtu Capital Corp. (“Zimtu”). Under the terms of the agreement, Zimtu will provide the Company with administrative and managerial services, including corporate maintenance, continuous disclosure services, rent, and office space, at a rate of \$12,500 per month. The Agreement was renewed to November 30, 2020 during the year ended April 30, 2020.

**CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments and estimates about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The following are the critical judgments and areas involving estimates, that management have made in the process of applying the Company’s accounting policies and that have the most significant effect on the amount recognized in the financial statements.

**a) Critical judgments in applying accounting policies**

Going concern assumption

These financial statements have been prepared on the basis of the accounting principles applicable to a going concern, which assumes the Company’s ability to continue in operation for the foreseeable future and to realize its assets and discharge its liabilities in the normal course of operations. There are several adverse conditions that cast substantial doubt upon the soundness of this assumption.

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Exploration and evaluation assets

The Company makes certain judgements and assumptions regarding indicators of impairment and the recoverability of the carrying values of exploration and evaluation assets. Management has assessed for impairment indicators for the Company's properties and has concluded that no indicators of impairment as at April 30, 2020 and 2019.

**b) Key sources of estimation uncertainty**

Income taxes

Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

Fair value of share-based payment

Management measures the fair value of equity-settled share-based transactions with officers, directors and consultants by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses Black-Scholes option pricing model. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

Interest rate on government loan

The government loan is measured at fair value based on management's best estimate of the effective interest rate at initial recognition. The fair value is also based on the Company's estimate that the amount will be fully repaid on December 31, 2022.

**DISCLOSURE CONTROLS AND PROCEDURES**

The Chief Executive Officer and Chief Financial Officer, of the Company have evaluated or caused to be evaluated for effectiveness the Company's disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR") which have been designed or caused to be designed under their supervision in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The Company took into consideration the following two characteristics common to companies of a similar size:

1. The limited number of personnel in smaller companies, which constrains the Company's ability to fully segregate conflicting duties;
2. The Company relies on an active board of directors, and management with open lines of communication to maintain the effectiveness of the Company's disclosure controls and procedures.

In addition, management has relied upon certain informal procedures and communication, and upon "hands-on" knowledge of senior management to maintain the effectiveness of disclosure controls and procedures. As a result of the evaluation, the Company has concluded that the DC&P and ICFR are

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effective as required by its current size, and in compliance with the recommendations of National Instrument 52-109. However, there can be no assurance that the risk of a material misstatement in the financial statements can be reduced to less than a remote likelihood. There have been no changes in the Company's internal control over financial reporting during the years ended April 30, 2020 and 2019, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### **FORWARD LOOKING STATEMENTS**

This Management Discussion and Analysis of Financial Condition and Results of Operations contains "forward-looking information" which include, but is not limited to, information about the transactions, statements with respect to the future financial or operating performances of the Company and its projects, the future price of metals, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, cost and timing of plant and equipment, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as "proposes", "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations that may prove inaccurate; fluctuations in the value of the Canadian or US dollar; future prices of metals; possible variations of ore grade or recovery rates; failure of plant or equipment or failure to operate as anticipated; accidents; labour disputes or slowdowns or other risks of the mining industry; climatic conditions; political instability; or arbitrary decisions by government authorities.

#### **OFF-BALANCE SHEET ARRANGEMENTS**

- None.

#### **CORPORATE ACTIVITIES**

- On June 26, 2018, the Company announced the appointment of Mr. Nick Rodway to the Board of Directors and accepted the resignation of Mr. Steven Chen (Chen Steven Man Fai).
- On August 28, 2019, the Company appointed Mrs. Alicia Milne to the Board of Directors and accepted the resignation of Mr. Harold Burgess.
- The Company's Annual General Meeting was held on December 4, 2019 in Vancouver with all agenda items passing.

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**APPROVAL**

The Board of Directors of Saville Resources Inc. has approved the disclosure contained in this MD&A on July 28, 2020.