



LUCKY MINERALS INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes of Lucky Minerals Inc. for the year ended September 30, 2017 accompanying this report. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars. Additional information relating to the Company and other regulatory filings can be found on the SEDAR website at www.sedar.com.

The Company's head office and principal business address is Suite 1015, 789 West Pender Street, Vancouver, British Columbia V6C 1H2. The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "LJ", and is a reporting issuer in the provinces of British Columbia, Alberta and Manitoba. The Company also trades on the Frankfurt Stock Exchange under symbol "8LM", and in the United States on the OTCQB under the symbol "LKMNF".

This MD&A is dated January 30, 2019.

Forward-Looking Statements

Forward looking statements are statements that are not historical facts and are generally, but not always identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential", "interprets" and similar expressions, or that events or conditions "will", "may", "could" or "should" occur. The information contained herein may contain forward-looking statements including expectations of future production, cash flows or earnings. These statements are based on current expectations that involve a number of risks and uncertainties which could cause actual results to differ from those anticipated. Factors that could cause the actual results to differ materially from those in forward-looking statements, but are not limited to: the risk associated with the oil and gas industry (e.g. operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserves estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuation and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.

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Although our management believes that the expectations represented by such forward-looking statements are reasonable, there is significant risk that the forward-looking statements may not be achieved, and the underlying assumptions thereto will not prove to be accurate.

Forward-looking statements in this management discussion include, but are not limited to:

1. Statements concerning Lucky Minerals’ primary business activities and,
2. Its intention to commence an exploration program on its Canadian or US optioned assets, and
3. Lucky Minerals’ intention to seek and acquire additional mineral properties worthy of development.

We have made numerous assumptions regarding, among other things:

1. Lucky Minerals’ ability to commence an exploration program on the Properties and
2. Lucky Minerals’ ability to acquire further exploration funds.

OVERALL PERFORMANCE

Description of Business and Review

Lucky Minerals Inc. is a Canadian-based mineral exploration company. Effective as of May 7, 2007, the Company is registered in British Columbia under the Business Corporations Act. Lucky Minerals is engaged in acquiring and exploring mineral property interests. The Company currently has 2 option agreements for 2 projects in the USA – Emigrant project and St. Julian project, options for both projects are in good standing. Lucky Minerals may also acquire and explore additional mineral properties, as such opportunities arise.

On December 21, 2017, the Company appointed Mr. João Carrêlo as the Chairman of the Board of Directors.

On January 23, 2018, the Company appointed Mr. Stuart Greene as a member of the Board of Directors. Mr. Steve Cozine resigned from the Board of Directors.

On February 20, 2018, the “Company has entered into a binding letter of intent (“LOI”) with Monterra Resources S.A. (“Monterra”), a private company incorporated under the laws of Panama, to acquire 100% of Goldmindex S.A. (“Goldmindex”), a private Ecuadorian company, by way of a share exchange between Lucky and Monterra (the “Transaction”).

On April 30, 2018, the Company entered into a share exchange agreement with Monterra S.A. in order to acquire Goldmindex S.A. a private Ecuadorian company whose primary asset is a 100%

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interest in a 54,985 hectare (550 km²) contiguous property position in Ecuador for the consideration of 16,000,000 Lucky shares issued on a restricted basis, which will be released to Monterra from escrow over a 36 month period. Further consideration will be the assumption of Goldminex’s commercial debt totalling a maximum of US\$200,000. The Company is also party to a transition agreement (“Transition Agreement”) pertaining to the Goldminex acquisition which provides for a further 5,000,000 shares being issued over a 16 month period in relation to ongoing advisory services in respect to the management and development of the Fortuna Property, along with the payment of \$90,000 annually over a three year period. Both the Share Exchange Agreement and the Transition Agreement are subject to TSX Venture Exchange approval.

On May 23, 2018, Montana Judicial District Court denied the Cross-Motion of the Company as the defendant for dismissing a case brought by the Plaintiffs. This case involves the Plaintiffs’ challenge of the decision made by Defendant Department of Environmental Quality (“DEQ”) to grant the Company as the other defendant in this case an exploration license in the Emigrant Gulch area of the Absaroka Mountains. The Company has assessed the denial by Montana Judicial District Court and the case and determined that there is no material monetary impact resulted from the denial and the case.

On July 5, 2018, Montana’s Sixth District Court has issued an order to vacate a July 10, 2018 hearing in the Lucky Minerals matter. The hearing was previously set to hear oral arguments regarding the Plaintiffs’ Motion for Vacatur of Exploration License for Lucky’s Emigrant Project. The matter brought by antidevelopment environmental groups, Park County Environmental Council and Greater Yellowstone Coalition, failed to comply with Montana Rules of Civil Procedure.

On July 10, 2018, Lucky has received conditional approval from the TSX Venture Exchange (the “Exchange”) on its contemplated Ecuadorian acquisition as previously announced in press releases dated April 11, 2018 and April 30, 2018 with respect to the acquisition by the Company of 100% of Goldminex S.A.

On August 2, 2018, Lucky has appointed John Mears, B.Sc, MAusIMM, P.Geo, to the position of President & Chief Executive Officer and Director of the Company effective immediately. Mr. Mears takes over the positions from Robert Rosner, who has acted as the Interim President & CEO since June 2017. Mr. Rosner will return to the position of Chief Financial Officer, which he held prior to his appointment as Interim President & CEO, and has also been named Executive Vice President. Steven Cozine, the current CFO, has resigned that position and remains as the Company’s Corporate Secretary. Additionally, Alain Moreau M.Sc.A, B.Sc, P.Geo has joined Lucky as Vice President, Exploration.

On August 20, 2018, Lucky has today entered into an agreement with Clarus Securities Inc. (the “Underwriter”), pursuant to which Clarus Securities has agreed to purchase, on a bought deal basis for resale an aggregate of 2,500 Convertible Debenture Units (the “Debenture Units”) of Lucky

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Minerals Inc. (the “Company”). Each Debenture Unit consists of (i) \$1,000 principal amount of 12% three year convertible unsecured unsubordinated debentures (the “Convertible Debentures”); and (ii) 2,500 common share purchase warrants (the “Debenture Warrants” and, together with the Convertible Debentures, the “Securities”) of the Company. Each Debenture Warrant entitles the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.22 for a period of 24 months following the Closing Date.

On September 6, 2018, Lucky announced that the change of stock trading symbol from to LKY from LJ has been approved by the TSX Venture Exchange.

On October 4, 2018, the Company announced completed the bought deal offering of units of the Company (the “Units”) underwritten by Clarus Securities Inc. (the “Underwriter”), previously announced in the Company’s press release dated August 20, 2018, for aggregate gross proceeds of C\$2,500,000 (the “Offering”). The Underwriter also exercised the over-allotment option in full and purchased an additional 375 Units to cover over-allotments, for additional gross proceeds to the Company of C\$375,000 resulting in total gross proceeds of C\$2,875,000 for the Offering. Each Unit issued pursuant to the Offering consists of: (i) \$1,000 principal amount of 12% three-year convertible unsecured unsubordinated debentures (each, a “Debenture”) and convertible at a price of \$0.15 per common share; and (ii) 2,500 common share purchase warrants of the Company (the “Warrants”). Each Warrant entitles the holder thereof to purchase one common share in the capital of the Company at an exercise price of \$0.22 for a period of 24 months following the closing date. The net proceeds of the Offering are expected to be used by the Company towards its Emigrant Creek Project, Fortuna Project, general corporate purposes and as general working capital. Montana District Court Rules on Procedural Matter in Lucky Minerals Case.

On October 22, 2018, the Company announced that Montana’s Attorney General Tim Fox (AG) issued a brief in Response to Plaintiffs’ Motion For Vacatur Of Exploration License pursuant to the Court’s order dated August 21, 2018 in the case of Greater Yellowstone Coalition and Park County Environmental Council (PCEC) vs. Lucky Minerals, Inc. The AG’s brief requests that Montana’s District Court deny the Motion for Vacatur and uphold Lucky Mineral’s private property rights.

PCEC’s motion that was filed in June 2018, asserted that strategic mineral exploration at the Emigrant Project would impact Montanan’s “right to a clean and healthful environment”. The decision extensively examined the matter and determined that the challenge was “fundamentally flawed”. The decision stated, “PCEC’s constitutional challenge is fundamentally flawed, insofar as it is based on the demonstrably false presumption that MEPA (Montana Environmental Policy Act) is the only applicable law enacted to protect Montanans’ right to a clean and healthful environment.” The brief calls out PCEC’s failure to acknowledge “the significant and comprehensive range of environmental protection remedies” under the Metal Mine Reclamation Act (MMRA).

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Going Concern

The consolidated financial statements of the Company have been prepared on the basis of International Financial Reporting Standards (“IFRS”) applicable to a going concern. The appropriateness of this methodology is dependent upon, among other things:

- a) The successful results from its mineral property exploration activities and
- b) Its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations.

The consolidated financial statements for the year ended September 30, 2018 have been prepared on the basis that the Company will continue as a going concern, which assumes the realization of assets and the settlement of liabilities in the normal course of business. Management feels that sufficient working capital will be obtained from public share offerings and the sale of marketable securities to meet the Company’s liabilities and commitments as they come due. The financial statements do not reflect any adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classification that would be necessary if the going concern assumption were not appropriate and such adjustments could be material.

Minerals Properties

	Emigrant \$	St. Julien \$	Total \$
As at September 30, 2016	508,735	46,602	555,537
Acquisition	13,500	34,502	48,002
Exploration	53,320	9,775	63,095
As at September 30, 2017	575,555	90,879	666,434
Acquisition	15,796	53,667	69,463
Exploration	126,122	6,309	131,431
As at September 30, 2018	717,473	150,855	868,328

Emigrant Project, USA

On June 15, 2014, the Company entered into an agreement to have an option agreement assigned (the “Assignment Agreement”). Pursuant to the Assignment Agreement, the Company has an option to acquire a 100% interest in certain claims in Montana USA. On June 14, 2017, the right, title and interest to the claims in Montana USA were released to the Company, however, the option to acquire a 100% interest in the claims in Montana USA in order 100% acquire the claims is still outstanding, for the following consideration:

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Date Due	USD \$
June 1, 2013	5,000 (paid)
October 1, 2013	5,000 (paid)
June 1, 2014	15,000 (paid)
June 1, 2015	20,000 (paid)
June 1, 2016	25,000 (paid)
June 1, 2017	30,000 (paid \$10,000)
June 1, 2018	35,000 (paid \$12,000)
June 1, 2019	40,000
June 1, 2020	45,000
Every year thereafter until total consideration is \$1,000,000	50,000

In May 2016, the Company negotiated with the optionor to amend the above payment schedule to USD \$10,000 per year commencing from June 1, 2016 until such time that the Company has received permission to drill and explore the property, after which the original payment schedule is resumed until the option price is paid in full. In accordance with the amended payment schedule, the Company paid USD \$10,000 to the optionor during the year ended September 30, 2017. In June 2018, the option agreement was amended whereby the Company paid USD 12,000 to the optionor during the year ended September 30, 2018.

The optionor will retain a 2% net smelter royalty (“NSR”). The Company may acquire 1.8% of the NSR by paying \$1,500,000 within 9 months of commercial production.

St. Julian Project, USA

The Company entered into an Option Agreement (“Option”) date effective November 1, 2015, with an arms-length party to acquire 100% interest of certain patented and unpatented mineral claims located in Montana, USA, known as “St. Julian”, on the following payment schedule:

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Date Due	USD \$
November 1, 2015	10,000 (paid)
February 1, 2016	10,000 (paid)
November 1, 2016	30,000 (paid)
November 1, 2017	40,000 (paid)
November 1, 2018	50,000 (paid subsequent to September 30, 2018)
November 1, 2019	60,000
November 1, 2020	70,000
November 1, 2021	80,000
November 1, 2022	90,000
November 1, 2023	100,000
November 1, 2024	110,000
November 1, 2025	120,000
	770,000

The Company will pay a late charge of 5% for any payment, which is not paid within 15 days of its due date.

The optionor will retain a 3% net smelter royalty. The Company may acquire 2% of the NSR by paying a one-time sum of USD \$5,000,000 within 12 months of commercial production. The Company may acquire the remaining 1% of the NSR by paying a one-time sum of USD \$2,500,000 within 24 months of commercial production.

Financing

Share issuances

Share issuances On March 8, 2017, the Company issued 50,030 common shares with a fair value of \$4,502 to the optionor of the St. Julian property as consideration for an extension of the property option payment.

On June 8, 2017, the Company closed a non-brokered private placement consisting of 10,000,000 units at a price of \$0.075 per unit for proceeds of \$750,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.10 per share for a period of two years. 333,333 of these shares were acquired by a company controlled by an individual who was a director at the time of the private placement. The Company has adopted a stock option plan whereby the Company may from time to time, in accordance with the Exchange requirements, grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company's common shares issued and outstanding at the time of granting stock options. Options may be exercised no

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later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position.

On July 18, 2017, the Company granted 4,300,000 incentive stock options to officers, directors, advisory board and advisory committee members of the Company. The options were granted for a period of 5 years, expiring on July 18, 2022, and each option will allow the holder to purchase one common share of the Company at an exercise price of \$0.20 per share.

On November 27, 2017, the Company completed a bought deal offering, raising gross proceeds of \$2,632,755 for the Company. Clarus Securities Inc. (the “Underwriter”) acted as an agent for the Company with respect to the sale of 17,551,700 units of the Company (the “Shares”) at a price of \$0.15 per Unit (the “Offering”). Each Unit consists of one common share of the Company and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share at a price of \$0.20 at any time prior to November 27, 2020. The Shares were sold pursuant to an agency agreement dated November 8, 2017 between the Company and the Underwriter (the “Underwriting Agreement”).

In consideration of the services performed by the Underwriter under the Underwriting Agreement, the Company: (i) paid the Underwriting a commission of \$184,293 in cash; and (ii) issued to the Underwriter and members of its selling group an aggregate of 1,228,619 options entitling the Underwriter and members of its selling group to acquire up to an aggregate of 1,228,619 Units of the Company at a price of \$0.15 per Unit for a period of 36 months. The Company has also reimbursed the Underwriter for expenses incurred by the Underwriter in connection with the Offering in the amount of \$101,050.

On October 4, 2018, the Company completed the bought-deal financing for gross proceeds of C\$2,875,000 (refer to the section of “Description of Business and Review”).

Stock Options

The Company has adopted a stock option plan whereby the Company may from time to time, in accordance with the Exchange requirements, grant to directors, officers, employees and consultants options to purchase common shares of the Company provided that the number of options granted, including all options granted by the Company to date, does not exceed 10% of the Company’s common shares issued and outstanding at the time of granting stock options. Options may be exercised no later than 90 days following cessation of the optionee’s position with the Company or 30 days following cessation of an optionee conducting investor relations activities’ position.

On July 18, 2017, the Company granted 4,300,000 incentive stock options to officers, directors, advisory board and advisory committee members of the Company. The options were granted for a period of 5 years, expiring on July 18, 2022, and each option will allow the holder to purchase one common share of the Company at an exercise price of \$0.20 per share.

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RESULTS OF OPERATIONS

Use of Bought-Deal Financing Proceeds Actual Variance Analysis

	Per Short-form prospectus dated November 21, 2017 after giving effect of the Offering and Over- allotment Option Use of Proceeds	Actual Use of Proceeds
Current A/P	\$500,000	\$495,077
Property acquisition & maintenance	\$82,000	\$43,184
Airborne Geophysics program	\$280,000	
Government & Community relations	\$25,000	\$154,604
Bond, Permitting and Plan of Operations	\$275,000	\$91,579
Management, Geology and technical support	\$180,000	\$218,904
Core drilling Phase 1- 2017 season (6,500 to 8,500 feet)	\$750,000	
Report and resource calculations	\$30,000	
Subtotal	\$2,122,000	\$1,003,347
Fortuna Project		\$757,265
St. Julian, Montana Project		\$62,197
Underwriter Commission		\$184,293
Legal fees related to share issuance		\$232,639
Exchange filing fees related to share issuance		\$13,625
General Working Capital	\$441,787	\$379,388
Total	\$2,563,787	\$2,632,755

Notes: The Company considers that the following factors and events have resulted in discrepancies with respect to the planned use of proceeds of its bought deal offering:

- Current Litigation in Montana

The Emigrant Project is located in a region with a limited seasonal window to access and explore such property. Officially, the season access is granted by the Forestry Department on June 15 of each year. The road to the property is opened around July 1. The season ends on or about October 31.

The Company became enjoined in a lawsuit on September 25, 2017 initiated by several local non-governmental organizations with the intent to defeat the drilling permit granted to the Company by the Montana DEQ, as this term is defined hereinabove. Their goal is to prevent access and stop exploration activities on the property indefinitely. According to legal counsel, the government statutes supported the Company's permit, stating that there is no provision for

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the plaintiffs to stop the Company from pursuing its activities so the Company proceeded original plans accordingly.

In November 2017, the Company completed a bought deal financing, see *Description of Business and Review* above. During the ensuing months as the legal action unfolded in Montana, the Company spent extensive human resource hours investigating, liaising with local community & political representatives, holding community informative meetings, performing due-diligence, and direct meetings with plaintiffs.

In addition, the Company felt that there was a mounting risk of an unknown or unfavorable outcome from the lawsuit and by the start of 2018 determined that it needed to look for, evaluate and potentially acquire additional projects to ensure future viability of the Company and maintain investor confidence. With the support of the major investors (being Clarus Securities Inc., the Underwriter for both bought deal transactions), the Company secured the Fortuna Project in Ecuador, which is accessible year round providing an additional exploration opportunity and the possibility to discover mineralized potential.

Substantially all of the November 2017 financing proceeds were used up as at the end of the quarter ended June 30, 2018.

Summary of Annual Results

The following table represents selected annual financial information on the Company's revenue and net income (loss) for the past 3 years:

	September 30, 2018	September 30, 2017	September 30, 2016
Expenses	\$ 3,069,686	\$ 1,271,227	\$ 191,998
Net loss	\$ (3,057,195)	\$ (1,285,310)	\$ (191,973)
Total assets	\$ 2,387,069	\$ 766,969	\$ 589,965
Total liabilities	\$ 1,987,334	\$ 130,170	\$ 12,300
Loss per share (basic and diluted)	\$ 0.04	\$ 0.02	\$ -

	September 30, 2018	September 30, 2017	September 30, 2016
Expenses			
Advertising and promotion	\$ 434,282	\$ 20,309	\$ 22,680
Amortization	1,328	93	529
Bank charges and interest	6,906	1,845	450
Consulting	1,177,540	322,824	12,000
Directors' fees	114,564	7,000	-
Foreign exchange	1,728	-	-
Insurance	8,462	-	-
Investor relations	129,396	51,399	-
Management fees	2,500	30,750	63,000

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Office and miscellaneous	26,228	97,455	597
Professional fees	280,687	33,243	34,595
Property investigation	145,182	-	
Rent	51,494	9,000	33,000
Stock-based compensation	371,835	589,942	-
Transfer agent and filing fees	95,776	55,533	21,310
Travel	221,778	51,834	-
	\$ 3,069,686	\$ 1,271,227	\$ 188,161

Fiscal 2016 losses were consistent and maintained at care and maintenance level due to the downturn of the mining industry.

The change of board and management team and successful completion of fund raising to advance the mineral exploration project in the third quarter of fiscal 2017 created the need to incur significant higher consulting fees comparing to fiscal 2015 and 2016. The losses in fiscal 2017 were further increase due to the recognition of stock-based compensation related to the grant of 4.3 million stock options in the final quarter of fiscal 2017.

The significant increase of losses incurred in fiscal 2018 versus fiscal 2017 was due to the engagement of more consultants as a result of the Goldminex transaction initiated in early fiscal 2018, the completion of the November 2017 financing and the October 2018 financing closed shortly after the Fiscal 2018 on October 4, 2018.

Summary of Quarterly Results

The following table summarized the results of operations for the eight most recent quarters.

	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017	Dec 31, 2016
	\$	\$	\$	\$	\$	\$	\$	\$
Net Loss	(1,686,308)	(182,142)	(479,603)	(709,142)	(913,068)	(331,512)	(10,042)	(30,688)
Basic and Diluted								
Loss per share	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)

The decline in the losses from the quarter of December 31, 2016 to March 31, 2017 is mainly due to the discontinuance of certain management, consulting services and third-party transfer agent contracts initiated in the quarter of September 30, 2016.

During the quarter of June 30, 2017, the addition of new board members and senior management members and the completion of the private placement of gross proceeds of \$750,000 all contributed to the significant increase in consulting, management, professional fees and stakeholder relationship fees during the quarter.

During the quarter of September 30, 2017, the grant of 4.3 million stock options resulted in \$589,942 share-based compensation recognized in the quarter combining with travel and conference for investor relationship contributed to the significant increase of losses.

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During the quarter of December 31, 2017, the significant increase in advertising, promotion, investors relationship and professional fees was related to the one-time event which was the completion of the private placement of gross proceeds of \$2,632,755 during the quarter. The increase in losses during the quarter due to these expenses was offset by the absence of one-time recognition of share-based compensation in the previous quarter ended September 30, 2017.

During the quarter of March 31, 2018, further reduction in losses was due to the absence of signing of one-time fee for news, media, advertising and promotion service fee in the previous quarter ended December 31, 2017.

During the quarter of June 30, 2018, further reduction in losses was due to the absence of one-time consulting fees incurred in the previous two quarters. The financial resources of the company have been deployed in the Goldminex Project.

During the quarter of September 30, 2018, the significant increase in consulting and professional fees was related to the completion of the private placement of gross proceeds of \$2,875,000 closed 4 days after the end of quarter of September 30, 2018 and consultant remuneration triggered the milestone, the approval of the Goldminex transaction by TSX-V. Another factor contributed to the significant increase in the losses was the revaluation adjustment of share-based compensation in the quarter of September 30, 2018 related to the 3.2 million options granted in February 2018.

Results for the fourth quarter ended September 30, 2018

For the quarter ended September 30, 2018, the Company incurred net losses of \$1,686,308 or \$(0.02) per share compared to a net loss of \$886,068 or \$(0.02) per share in the quarter ended September 30, 2017.

The increase in the net losses was due to the significant increase in the level of consultant and management activity related to works on completing the bought deal financing closed on October 4, 2018 and advancing the Goldminex Project.

Significant expenses were: consulting expenses \$167,974 (September 30, 2017 - \$196,499), investor relations (\$703) (September 30, 2017 - \$51,399), professional fees \$177,101 (September 30, 2017 - (\$39,580)), property investigation \$127,136 (September 30, 2017 - \$NIL), Director's fees \$114,564 (September 30, 2017 - \$NIL) and Share based compensation \$371,835 (September 30, 2017 - \$589,942) and travel \$95,845 (September 30, 2017 - \$51,834).

Results for the year ended September 30, 2018

For the year ended September 30, 2018, the Company incurred net losses of \$3,057,195 or \$0.04 per share compared to a net loss of \$1,285,310 or \$(0.00) per share in the year ended September 30, 2017.

The significant increase of consulting and directors' fees, investor relations, professional fees and property investigation fees incurred in fiscal 2018 versus fiscal 2017 was due to the engagement of more consultants and management advisory members as a result of the Goldminex transaction

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initiated in early fiscal 2018, the completion of the November 2017 financing and the October 2018 financing closed shortly after the Fiscal 2018 on October 4, 2018.

Significant expenses were: consulting expenses \$1,177,540 (September 30, 2017 - \$322,824), investor relations \$129,396 (September 30, 2017 - \$51,399), professional fees \$280,687 (September 30, 2017 - \$32,243), property investigation \$145,182 (September 30, 2017 - \$NIL), Director's fees \$114,564 (September 30, 2017 - \$7,000) and Share based compensation \$371,835 (September 30, 2017 - \$589,942) and travel \$221,778 (September 30, 2017 - \$51,834).

LIQUIDITY

Cash balance decreased to \$906 at September 30, 2018, from \$80,715 at September 30, 2017.

Working Capital

Working capital decreased from a deficit of \$30,776 at September 30, 2017 to a deficit of \$724,975, at September 30, 2018.

	September 30, 2018	September 30, 2017
Current Assets	1,262,359	99,394
Current Liabilities	(1,987,334)	(130,170)
Working Capital	(724,975)	(30,776)

There can be no assurance the Company will continue to obtain the equity and/or debt financings required in the future on acceptable terms. The Company anticipates it will need additional capital in the future to finance ongoing exploration of its properties, such capital to be derived from the exercise of outstanding stock options, warrants and/or the completion of other equity financings.

The Company has limited financial resources, has no source of operating income and has no assurance that additional funding will be available to it for further exploration and development of its projects.

Although the Company has been successful in the past in financing its activities through the sale of equity securities there can be no assurance that it will be able to obtain sufficient financing in the future to carry out exploration and development work on the properties. The ability of the Company to arrange additional financing in the future will depend, in part, on the prevailing capital market conditions and exploration success.

The Company's financial condition in the long term is contingent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development, and upon future profitable production or proceeds from disposition of these properties. The Company has relied upon equity financings to satisfy its capital requirements and will continue to depend upon equity and/or debt financings to raise sufficient

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funds for its exploration activities.

DISCLOSURE OF OUTSTANDING SHARE DATA

As of September 30, 2018, there were 83,026,783 common shares, 33,376,700 share purchase warrants and 8,728,619 incentive stock options outstanding. As at January 28, 2019, there were 115,524,749 common shares and 33,376,700 share purchase warrants outstanding and 14,828,619 incentive stock options issued and outstanding.

ARRANGEMENTS OFF THE STATEMENT OF FINANCIAL POSITION

There are no arrangements that are not included on the Statement of Financial Position.

RELATED PARTY TRANSACTIONS

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of members of the Company's Board of Directors and corporate officers. The Company incurred the following transactions with directors and key management personnel during the years ended September 30, 2018 and 2017 as follows:

	September 30, 2018	September 30, 2017
Consulting fees	\$ 288,659	\$ 22,000
Management fee	101,338	
Share-based compensation	336,976	-
	\$ 726,973	\$ 22,000

As at September 30, 2018, the Company accrued consulting fees of \$32,500 or USD\$ 25,000 to Mr. John Mears, the CEO of the Company for August and September 2018 per a consulting service agreement effective August 1, 2018 (September 30, 2017-\$NIL) with a twelve-month term with an option to renew a further twelve months term.

As at September 30, 2018, the consulting fee of \$126,250 were paid to Mr. Joao Carrelo, the Chairman of the Company. The Company owed \$124,002 including accrued interest to the Chairman. This balance was repaid in October 2018.

As at September 30, 2018, consulting fees of \$84,909 for Mr. Robert Rosner, the CFO of the Company were incurred. On August 1, 2018, the Company and the CFO entered into a consulting service agreement whereby the Company would pay a consulting fee of USD\$8,000 per month to the CFO effective August 1, 2018 and renewable after two four months. The Company owed a balance of \$66,774 (September 30, 2017 - \$646) as at September 30, 2018.

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As at September 30, 2018, director and committee advisory fees of \$30,000 for Mr. Francois Perron, a director of the Company were incurred. The Company owed the director a balance of \$30,000 (September 30, 2017 - \$NIL).

As at September 30, 2018, director and committee advisory fees of \$36,250 for Mr. Shaun Dykes, a director of the Company were incurred. The Company owed the director a balance of \$36,250 (September 30, 2017 - \$NIL).

As at September 30, 2018, director and committee advisory fees of \$36,250 for Mr. Stuart Greene, a director of the Company were incurred. The Company owed the director a balance of \$33,545 (September 30, 2017 - \$NIL).

As at September 30, 2018, consulting and management fees of \$43,838 for Mr. Steve Cozine, the corporate secretary of the Company were incurred. The Company owed the corporate secretary a balance of \$8,400 (September 30, 2017 - \$NIL).

INTERNAL FINANCIAL CONTROLS

Venture issuers are not required to 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 National Instrument 52-109 Certification of Disclosure in Issuer’s Annual and Interim Filings (“NI52-109”). In particular, the Company’s certifying officers 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 generally accepted accounting principles.

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 make. Investors should be aware that inherent limitations on the ability of the Company are certifying officers to design and implement on a cost effective basis.

CRITICAL ACCOUNTING POLICIES

The Company’s significant accounting policies are described in Note 3 of the September 30, 2018 audited financial statements.

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NEW ACCOUNTING STANDARDS INCLUDING ADOPTION

See Note 3 of the Company's financial statements for the year ended September 30, 2018 for a detailed summary of accounting standards issued but not yet effective.

FINANCIAL RISK AND CAPITAL MANAGEMENT

See Note 10 of the Company's financial statements for the year ended September 30, 2018 for a detailed summary of financial risks and capital management.

RISK FACTORS AND UNCERTAINTIES

The principal business of the Company is the acquisition and exploration of mineral properties. Given the inherent risky nature of the exploration and mining business, the limited extent of the Company's assets and the present stage of development, investors should consider the following risk factors, among others:

Exploration Stage Company

The Company does not hold any known mineral reserves of any kind and does not generate any revenues from production. The Company's success will depend largely upon its ability to locate commercially viable mineral reserves. Mineral exploration is highly speculative in nature, involves many risks and frequently is non-economically viable. There is no assurance that exploration efforts will be successful. Success in establishing reserves is a result of a number of factors, including the quality and experience of management, the level of geological and technical expertise, and the quality of property available for exploration. Once mineralization is discovered, it may take several years in the initial phases of drilling until production is possible, during which time the economic feasibility of production may change. Significant financial investment are required to establish proven and probable reserves through drilling and bulk sampling, to determine the optimal metallurgical process to extract the metals from the ore and, in the case of new properties, to construct mining and processing facilities. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of resources or reserves.

Operating History and Availability of Financial Resources

The Company does not have any history of generating operating revenue and is unlikely to generate any significant amount in the foreseeable future. Hence, it may not have sufficient financial resources to undertake by itself all of its planned mineral property acquisition and exploration activities. Operations will continue to be financed primarily through the issuance of securities. The Company will need to continue its dependence on the issuance of such securities for future financing, which may result in dilution to existing shareholders. Furthermore, the amount of additional funds required may not be available under favorable terms, if at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause the Company to forfeit its interests in some or all of its properties or to reduce or discontinue its operations.

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Inflation and Metal Price Risk

The ability of the Company to raise interim financing to advance its Emigrant Project in Montana, USA and/or its Fortuna Project in Ecuador will be significantly affected by changes in the market price of the metals for which it explores. The prices of gold are volatile, and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supplies of and demands for gold and the stability of exchange rates can all cause fluctuations in these prices. Such external economic factors are influenced by changes in international investment patterns and monetary systems and political developments. The prices of gold have fluctuated significantly in recent years. Future significant price declines could cause investors to be unprepared to finance exploration and development of gold deposits, with the result that the Company may not have sufficient financing with which to advance the Emigrant Project in Montana, USA and/or its Fortuna Project in Ecuador.

Share Price Volatility and Lack of Active Market

Worldwide Securities markets continue to experience a high level of price and volume volatility, and the market prices of securities of many public companies have experienced significant fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies.

It may be anticipated that any quoted market for the Company's securities will be subject to such market trends and that the value of such securities may be affected accordingly. If an active market does not develop, the liquidity of the investment may be limited and the market price of such securities may decline below the subscription price.

Competition

The mineral resource industry is intensively competitive in all of its phases, and the Company competes with many other companies possessing much greater financial and technical resources. Competition is particularly intense with respect to the acquisition of desirable undeveloped properties. The principal competitive factors in the acquisition of prospective properties include the staff and data necessary to identify and investigate such properties, and the financial resources necessary to acquire and develop the projects. Competition could adversely affect the Company's ability to acquire suitable prospects for exploration.

Government Regulations and Environmental Risks and Hazards

The Company's conduct is subject to various federal, provincial and state laws, and rules and regulations including environmental legislation in the countries of the Republic of Ecuador and United States of America. The Company has adopted environmental practices designed to ensure that it continues to comply with environmental regulations currently applicable to it. All of the Company's activities are in compliance in all material respects with applicable environmental legislation. Environmental hazards may exist on the Company's properties, which may have been caused by previous or existing owners or operators of the properties. The Company is not aware of any existing environmental hazards related to any of its current property interests that may result in

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material liability to the Company. Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company’s operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the resource property interests, the potential for production on the property may be diminished or negated.

Reliance on Key Personnel

The Company relies on a relatively small number of key directors, officers and senior personnel. Loss of any one of those persons could have an adverse effect on the Company. The Company does not currently maintain “key employee” insurance in respect of any of its senior management.

Licenses and Permits

The operations of the Company require licenses and permits from various government authorities. The Company believes that it holds all necessary licenses and permits under applicable laws and regulations for work in progress and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change under various circumstances.

There can be no assurance that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities or to maintain continued operations that economically justify the cost.

Title to Property

Although the Company has exercised the usual due diligence with respect to title to properties in which it has a material interest, there is no guarantee that title to the properties will not be challenged or impugned. The Company’s mineral property interest may be subject to prior unregistered agreements or transfers, aboriginal land claims, government expropriation and title may be affected by undetected defects. In addition, certain mining claims in which the Company has an interest are not recorded in the name of the Company and cannot be recorded until certain steps are taken by other parties.

Risk of Legal Claims

The Company may become involved in disputes with third parties or government authorities in the future that may result in litigation. The results of these legal claims cannot be predicted with certainty and defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit. If the Company is unable to resolve these disputes in the Company’s favor or if the cost of the resolution is substantial, such events may have a material adverse impact on the ability of the Company to carry out its business plan.

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MANAGEMENT'S DISCUSSION AND ANALYSIS**

Officers and Directors

João Carrêlo – Director and Chairman
John Mears – Director, President and CEO
Robert Rosner – Director and CFO
Shaun M. Dykes – Director, Vice President
Steven Cozine – Corporate Secretary
Francois Perron – Director
Stuart Greene - Director

Contact Person

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