



Harfang Exploration Inc.

Management's Discussion and Analysis
Quarterly Highlights

Three months ended April 30, 2019

Harfang Exploration Inc.

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The following quarterly highlights management's discussion and analysis (the "MD&A Highlights") of the financial condition and results of the operations of Harfang Exploration Inc. (the "Corporation") constitutes management's review of the factors that affected the Corporation's financial and operating performance for Q1-20.

The MD&A Highlights should be read in conjunction with the Corporation's unaudited condensed interim financial statements for the three months ended April 30, 2019 prepared in accordance with the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") as well as with the management discussion and analysis for the year ended January 31, 2019. All figures are in Canadian dollars unless otherwise noted.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
Q1-19	February 1, 2018 to April 30, 2018
Q2-19	May 1, 2018 to July 31, 2018
Q3-19	August 1, 2018 to October 31, 2018
Q4-19	November 1, 2018 to January 31, 2019
Fiscal 19	February 1, 2018 to January 31, 2019
Q1-20	February 1, 2019 to April 30, 2019
Q2-20	May 1, 2019 to July 31, 2019
Q3-20	August 1, 2019 to October 31, 2019
Q4-20	November 1, 2019 to January 31, 2020
Fiscal 20	February 1, 2019 to January 31, 2020

1. NATURE OF ACTIVITIES

The Corporation was incorporated on March 30, 2010 under the *Business Corporations Act* (British Columbia) and on June 22, 2017, in conjunction with a reverse takeover, continued under the Business Corporations Act (Québec). The Corporation's shares are listed on the TSX Venture Exchange (the "Exchange") under symbol HAR. The Corporation's head office is 1100, avenue des Canadiens-de-Montréal, Suite 300, Montréal, Québec, Canada.

The Corporation, an exploration and evaluation stage company, is in the business of acquiring and exploring mineral properties in Canada. Its focus is currently on the exploration and evaluation of its mineral properties in the James Bay area in the Province of Québec for precious metals.

2. CORPORATE UPDATE

2.1 Financial Highlights

On March 20, 2019, the Corporation completed non-brokered private placements for aggregate gross proceeds of \$1,452,880. Under such private placements, the Corporation issued 2,017,476 common shares at a price of \$0.21 per common share, 2,014,034 flow-through common shares at a price of \$0.30 per flow-through common share ("\$0.30 FT Shares") and 1,214,286 flow-through common shares at a price of \$0.35 per flow-through common share ("\$0.35 FT Shares"). The \$0.35 FT Shares were part of an arrangement through which Osisko Gold Royalties Ltd ("Osisko") became the ultimate owner of all the \$0.35 FT Shares. Share issue expenses, including the finder's fees of \$14,235, totaled \$50,179. Certain directors of the Corporation purchased an aggregate of 95,000 \$0.30 FT Shares for \$28,500.

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Three months ended April 30, 2019

2. CORPORATE UPDATE (CONT'D)

The Corporation has working capital of \$3,095,660 as at April 30, 2019, (\$2,174,416 as at January 31, 2019). From this working capital, the Corporation has to dedicate \$998,355 to Canadian mining properties exploration, pursuant to the terms of the March 20, 2019 flow-through financings. The Corporation completed all Canadian mining properties exploration, in accordance with the terms of the July 12, 2018 flow-through financings. The Corporation is constantly seeking financing or business opportunities.

The Corporation reported a net loss of \$185,131 in Q1-20 (\$164,987 in Q1-19). The main variations are as follow:

- Exploration and evaluation expenditures, net of tax credits \$143,916 (\$53,749 in Q1-19) (see section on exploration activities).
- Consulting and professional fees for \$32,661, office and administrative for \$11,743, travel, conference and investor relations for \$7,593 and filing fees for \$9,902, for an aggregate of \$61,899 (\$83,998 in Q1-19). The Corporation reduced its expenses related to corporate activities. There was a reduction of consulting and professional fees specifically, in legal and tax fees for the period, lower conference expenses and lower insurance costs.
- Deferred income taxes recovery for \$45,293 (\$20,100 in Q1-19). This recovery represents mainly the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciations following the July 12, 2018 and March 20, 2019 private placements.

On May 21, 2019 the Board of Directors of the Corporation has decided to extend until June 22, 2021 the expiry date of the 3,821,000 warrants issued in connection with a private placement closed on June 22, 2017. On June 7, 2019, the Exchange has approved such extension and on June 18, 2019, a supplemental warrant indenture was executed by the Corporation with Computershare Trust Company of Canada.

On May 27, 2019, the Corporation granted to its directors, officers, employees and consultants 225,000 options exercisable at an exercise price of \$0.27, valid for 10 years. The options vested 100% at the grant date.

2.2 Use of funds following the qualifying transaction

In connection with its proposed qualifying transaction described in the June 14, 2017 filing statement, Harfang Exploration Inc., a private corporation with which the Corporation amalgamated as of June 22, 2017 as part of its qualifying transaction ("Harfang") had to complete a private placement to raise a minimum of \$500,000 and a maximum of \$3,100,000. Harfang completed a financing of \$2,677,000 on June 22, 2017 (\$1,910,500 of units and \$766,500 of flow-through shares).

Following is a table summarizing the use of funds:

	Assuming completion of the minimum concurrent financing	Assuming completion of the maximum concurrent financing	Up to April 30, 2019
	\$	\$	\$
Expenses payable in connection with the private placement	5,000	5,000	17,400
Costs related to complete the qualifying transaction	176,000	176,000	188,357
Exploration work	250,410	900,000	1,380,971
General and administrative expenses	262,645	262,645	961,391
Unallocated working capital	617,173	2,567,583	128,881
	1,311,228	3,911,228	2,677,000

As of April 30, 2019, the Corporation has used all the funds received during the 2017 qualifying transaction.

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Three months ended April 30, 2019

3. EXPLORATION ACTIVITIES

	Q1-20	Q1-19
	\$	\$
Lake Ménarik		
Salaries and benefits	4,955	27,873
Geology	250	11,020
Transportation	342	276
Lodging and food	65	1,422
Supplies and equipment	28	1,755
	5,640	42,346
Ménarik East		
Salaries and benefits	-	2,166
	-	2,166
Serpent		
Salaries and benefits	30,767	933
Geology	11,306	1,250
Analysis	63	-
Transportation	518	-
Geophysics	85,000	-
Lodging and food	97	-
Supplies and equipment	850	-
	128,601	2,183
Muskeg		
Salaries and benefits	-	1,091
Geology	-	1,200
	-	2,291
Lake Fagnant		
Salaries and benefits	1,607	560
Geology	279	94
Recharge to partners	(1,131)	(327)
	755	327
Lake Aulneau		
Salaries and benefits	118	-
Geology	-	1,101
	118	1,101
Generation		
Salaries and benefits	8,380	3,158
Geology	422	177
	8,802	3,335
Total		
Salaries and benefits	45,827	35,781
Geology	12,257	14,842
Analysis	63	-
Transportation	860	276
Geophysics	85,000	-
Lodging and food	162	1,422
Supplies and equipment	878	1,755
Recharge to partners	(1,131)	(327)
	143,916	53,749

Mr. François Goulet, M.Sc. P.Geo, President and Chief Executive Officer of the Corporation, a qualified person as defined by National Instrument 43-101 has verified the technical content in this section.

Below is a summary of the significant properties in which the Corporation has an interest.

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Three months ended April 30, 2019

3. EXPLORATION ACTIVITIES (CONT'D)

3.1 Lake Ménarik Property

Property Description

As at April 30, 2019, the Corporation owns a 100% interest on 93 claims totalling 4,779 ha in NTS Sheet 33F06. The property is located 45 km south of Radisson and 7 km northeast of the junction between the Transtaiga Road and the James Bay Road. Most claims of the Lake Ménarik Property are subject to a 2% net smelter return royalty which Osisko is retaining.

Exploration work on the property

The Corporation has not conducted fieldwork on the Lake Ménarik Property during Q1-20 and is not planning work on the property during summer 2019.

Significant analytical results from rock samples collected during summer 2018 were published in press releases dated on January 16, 2019. Trenching highlights predominantly associated to submetric and deformed quartz veins hosted in a monzonite intrusion and its adjacent volcano-sedimentary host rock include:

- 12.46 g/t Au and 25.5 g/t Ag over 3.60 m (Gordie showing);
- 18.75 g/t Au, 31.1 g/t Ag and 0.41% Cu over 0.88 m and 5.38 g/t Au, 6.3 g/t Ag over 0.80 m (David showing);
- 18.99 g/t Au and 7.0 g/t Ag over 0.35 m (near Ekomiak showing).

Additional prospecting led to the discovery of the Bing showing located in the eastern part of the property. That new occurrence is characterized by gold-bearing quartz veins (1.61, 1.75 and 2.61 g/t Au) and anomalous silver (up to 235 g/t Ag) and lead (up to 0,15% Pb) values.

3.2 Ménarik East Property

Property Description

As at April 30, 2019, the Corporation owns a 100% interest on 68 claims covering 3,494 ha in NTS Sheet 33F06. This property, contiguous to the Lake Ménarik Property, is located 48 km southeast of Radisson.

The Ménarik East Property exposes an ultramafic-mafic complex containing historical mineral resources in chromium, platinum, palladium, nickel and copper. These historical resources include 6.34 Mt @ 7.73% Cr₂O₃, 398 ppb Pd and 105 ppb Pt. These estimates do not refer to any category of mineral resources or mineral reserves of the NI-43-101 such as stated in the 2014 CIM Definition Standards on Mineral Resources and Mineral Reserves. These estimates are treated as historical information and have not been verified by the Corporation. The Corporation is not treating these historical estimates as current mineral resources. Several gold and polymetallic showings are located at the periphery of the complex, more specifically in close association with felsic intrusions and gabbroic dykes.

Exploration work on the property

The Corporation has not done any work on the Ménarik East Property during Q1-20 and is not planning work on the property during summer 2019.

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Three months ended April 30, 2019

3. EXPLORATION ACTIVITIES (CONT'D)

3.3 Serpent Property

Property Description

As at April 30, 2019, the Corporation owns 327 mining claims covering 16,922 ha staked by map designation in NTS sheets 33F02 and 33F03 referred to as the Serpent Property. During Q1-20, 32 claims (1,655 ha) were added to the property. These claims, 100%-owned by the Corporation, are in the James Bay area, 90 km SSE of Radisson and 10 km east of the James Bay Road. The eastern limit of the Serpent Property is contiguous to the Sakami gold project (Quebec Precious Metals Corporation). Its western limit is adjacent to the Radisson Project (LaSalle Exploration Corp.). The Property is known for its Cu-Au-Ag (Mista) and Au (Langelier, Viper) potential.

Exploration work on the property

During Q1-20, Geo Data Solutions GDS Inc. flew a heliborne magnetic survey over the entire property. A total of 2,755 linear km was flown with nominal traverse and control line spacing at 75 m and 464 m, respectively. Ground clearance was 30 m. The Corporation published a press release in May 15, 2019 concerning the potential for Cu-Au-Ag around the Mista prospect as interpreted from magnetic features detected by the new survey.

Since Q4-19, the Corporation was actively working on the planning of the next exploration phase on the property which began on June 3, 2019. The field crew is proceeding to intense prospecting in the vicinity of Mista, Viper and Langelier to detect lateral extensions of these mineralized occurrences. Mechanical trenching using an excavator will also be completed in some of the best areas. More large-scale prospecting will also cover the southern part of the property.

Letters were sent to specific members of the Wemindji Cree community (Chief, Deputy Chief, Local Fur Trader, tallymen) during Q1-20 to inform them about the Corporation's summer field activities.

3.4 Muskeg Property

Property Description

As at April 30, 2019, the Muskeg Property, located in NTS sheet 33C01, is made up of 60 mining claims staked by map designation. These claims, covering 3,168 ha, are 100%-owned by the Corporation. The property is in James Bay on the south shore of the Eastmain Reservoir and approximately 60 km north of the Nemaska Cree Community. The Muskeg gravel road runs through the southern portion of the claims. Most of the rock units are part of the Anatacau-Pivert Formation included into the Lower Eastmain Group.

Exploration work on the property

The Corporation has not conducted fieldwork on the Muskeg Property during Q1-20 and did not plan additional work on the Property for summer 2019.

3.5 Lake Fagnant Property (joint venture)

Property Description

As at April 30, 2019, the Lake Fagnant Property is an aggregate of 90 mining claims totaling 4,437 ha located in NTS sheets 33N02 and 33N03. These claims were staked by map designation by the Corporation, Kenorland Minerals Ltd. ("Kenorland") and UrbanGold Minerals Inc. ("UrbanGold"). The property is located 55 km east of Whapmagoostui/Kuujuarapik (Nunavik) and 155 km north of Radisson. It covers the northwestern portion of the Archean Great Whale greenstone belt in the Bienville Subprovince of the Superior Province.

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Three months ended April 30, 2019

3. EXPLORATION ACTIVITIES (CONT'D)

There are 5 mining claims subjected to a 1% net smelter return royalty (NSR) shared between Geotest Corporation (0.5%) and Wayne Holmstead (0.5%). Under the joint venture agreement, the initial respective participating interests of the participants are as follows: 40% for the Corporation, 40% for Kenorland and 20% for UrbanGold. The operator of the joint venture will be the Corporation for as long as its participating interest is equal to or greater than the others participants'. If the Corporation's or Kenorland's interest is diluted to less than 10%, it will be converted into a 1% NSR royalty on the Lake Fagnant Property. The operator will have the right to buy-back half of this royalty (0.5% NSR) for \$500,000 or, under certain circumstances, the aggregate royalty (1% NSR) for \$1,000,000. If UrbanGold's participating interest is diluted to less than 10%, then UrbanGold interest will be converted to a 0.5% NSR royalty on the Initial Claims. The operator will have the right to buy-back half of the NSR royalty (0.25% NSR) for \$250,000 or, under certain circumstances, the aggregate royalty (0.5% NSR) for \$500,000.

Exploration work on the property

The Corporation has not done any fieldwork on the Lake Fagnant Property during Q1-20. During Q1-20, a preliminary internal geological report was written by the Corporation for the partners. We are currently evaluating the entire project in order to adequately plan the next exploration phase. The Corporation did not plan any fieldwork on the property during summer 2019.

3.6 Lake Aulneau Property

Property Description

As at April 30, 2019, the Lake Aulneau Property is composed of 134 mining claims totaling 6,297 ha located in NTS sheets 24C15, 24C16 and 24F02 (Nunavik). The claims, 100%-owned by the Corporation and staked by map designation, cover rocks belonging to the Labrador Through. The property is located 125 km south of Kuujuaq and 265 km north of Schefferville.

The property encompasses six copper, nickel, platinum and palladium prospects and showings, namely Marymac I, Lepage, Island, Redcliff, Float, and Nine South. Historical resources were calculated from diamond drillholes completed in the 1970's and 1980's and published in previous exploration reports for four of the previously-mentioned mineralized occurrences. They include 1,088,000 Mt @ 2.02% Cu, 0.45% Ni, 1.0 g/t Pt and 3.1 g/t Pd for the Lepage and Island zones combined, 1,068,000 Mt @ 2.09% Cu and 0.51% Ni for the Redcliff prospect, and 133,000 Mt @ 2.10% Cu and 0.43% Ni for the Float prospect. These estimates do not refer to any category of mineral resources or mineral reserves of the NI-43-101 such as stated in the 2014 CIM Definition Standards on Mineral Resources and Mineral Reserves. These estimates are treated as historical information and have not been verified by the Corporation. The Corporation is not treating these historical estimates as current mineral resources. Anomalous gold and silver values are locally associated to Cu-Ni-Pt-Pd occurrences.

Exploration work on the property

The Corporation has not done any fieldwork on the Lake Aulneau Property during Q1-20 and is not planning any additional work on the property during summer 2019.

3.7 Acquisition of the Lake Tapiatic Property

Property Description

In Q2-20, the Corporation staked 146 mining claims by map designation totalling 7,430 ha in NTS sheets 33G12 and 33G13. This group of claims now forms the Lake Tapiatic Property, 100%-owned by the Corporation. The property is located in the James Bay area, approximately 110 km east of the Radisson village and just 2 km north of the La Grande-3 hydroelectric powerplant.

Harfang Exploration Inc.

Management's Discussion & Analysis – Quarterly Highlights

Three months ended April 30, 2019

3. EXPLORATION ACTIVITIES (CONT'D)

Dominant lithologies include highly folded wacke, paragneiss, iron formation and basalt forming one of the largest Archean volcano-sedimentary basins near the contact between the La Grande and Opinaca subprovinces. Three strong copper anomalies (>112 ppm Cu; >99.8 percentiles) in lake-bottom sediments were obtained in 1973 and 1974 surveys in the southern part of the property. No precious and/or base metal showing is yet known inside the limits of the property. Historical exploration was minimal and apparently guided towards the iron potential of the numerous oxide-facies iron formations found inside and outside of the property.

Exploration work on the property

The Corporation has not yet proceeded to fieldwork on the property. The planning for a first-phase prospecting program to be carried on during summer 2019 is in progress. This new property was developed as part of the Corporation's project generation. A press release was published on June 12, 2019 regarding the acquisition of the Lake Tapiatic Property.

3.8 Projects Generation

During Q1-20, the Corporation continued its geological compilation program for the acquisition of new strategic gold and base metal properties in Québec. The new geological targets will be tested by prospecting during the summer 2019 exploration program.

4. CHANGE IN ACCOUNTING POLICIES

The accounting policies, methods of computation and presentation applied in the unaudited condensed interim financial statements for the three months ended April 30, 2019 are consistent with those of the Corporation' previous financial year ended January 31, 2019, except for the adoption of a new accounting standard (IFRS 16, *Leases*), which is described below.

IFRS 16 *Leases* ("IFRS 16")

In January 2016, the IASB issued IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces IAS 17 *Leases* ("IAS 17"), and related interpretations. Save for short term leases and leases of low value assets, all leases result in the lessee obtaining the right to use an asset at the commencement of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

- i) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- ii) depreciation of lease assets separately from interest on lease liabilities in the statement of income (loss).

Management has determined that the adoption of IFRS 16 on February 1, 2019 had no significant impact on the Corporation's financial statements.

June 19, 2019

(s) François Goulet
François Goulet
President and CEO

(s) Yvon Robert
Yvon Robert
CFO