MURCHISON MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2018

This Management's Discussion and Analysis ("MD&A") is intended to supplement the consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the year ended December 31, 2018 with comparatives for the same period a year earlier. The consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of financial statements. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and accompanying notes for the year ended December 31, 2018, which are available on the Company's website (www.murchisonminerals.com). This MD&A covers the most recently completed financial year end and the subsequent period up to March 6, 2019. The information is presented in Canadian dollars unless stated otherwise.

OVERALL PERFORMANCE

Description of Business

Murchison is a Canadian based exploration company with a diversified portfolio of properties, including the high-grade Brabant-McKenzie zinc-copper-silver deposit in north-central Saskatchewan, the HPM Nickel/Copper/Cobalt project in Quebec and holds gold claims in the Pickle Lake area of northwestern Ontario which are currently under option to Ardiden Limited. The Company expects to acquire additional properties as attractive opportunities are identified. The Company does not have any projects that generate revenue at this time. The Company's ability to carry out its business plan in the future rests entirely on its ability to secure equity and other financings or realize cash from the sale of assets.

Trends

The financing, exploration and development of any properties the Company holds or may acquire in the future will be subject to a number of factors including the commodity prices for minerals, applicable laws and regulations, political conditions, currency fluctuations, the hiring of qualified people, and obtaining necessary services in jurisdictions where the Company operates. The current trends relating to these factors could change at any time and negatively affect the Company's operations and business. Apart from these, the risk factors noted under the heading "Uncertainties and Risk Factors" and "Forward Looking Statement" included this MD&A, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

OUTLOOK

In December 2018, the Company raised $150,000 in flow-through funds. Approximately half of this amount has been used to complete a Versatile Time-Domain Electromagnetic (VTEM™ Max) airborne geophysical survey (January 2019). The balance of the flow-through proceeds will be used for a follow up field prospecting program expected to start in early June 2019 which will cover newly acquired claims and approximately 30 recently identified geophysical anomalies.

Since December 2018, the land holding at the Brabant Lake project increased by 204 km^2 to 278 km^2. The Company staked the additional claims to cover favourable geological horizons, lake sediment anomalies, multiple known mineralized showings and recently identified geophysical conductors.

In 2019, the Company is planning to conduct a diamond drill program over 4 previously identified drill targets at the Brabant Lake project, subject to funds availability / financing.

Regionally, the Company is focused on identifying additional deposits on the property and believes that in addition to the Deposit, the Brabant-McKenzie project (the "Property") exhibits what appears to be the potential for a VMS district or camp based on the number of known mineralized showings and geophysical anomalies identified along its 35 kilometre strike.

There are no known legal, political, environmental or other risks that could materially affect the potential development of the mineral resources.

The Company has listed its common shares on the TSX Venture exchange and started trading on Thursday, March 22, 2018. Concurrently, the Company delisted from the Canadian Securities Exchange.

Management's objective is to maximize the money spent "in the ground". The long-term goal remains to develop the Company's properties and achieve commercial production. The Company may enter into partnerships in order to fully exploit the production potential of its exploration assets.

MINERAL PROPERTIES – EXPLORATION ACTIVITIES

Brabant Property – Saskatchewan

The Brabant property is owned 100% by Murchison and is strategically located along Highway 102 approximately 175 kilometres northeast of the town of La Ronge and near major infrastructure, including grid power. The Brabant property consists of the Deposit and numerous additional zinc and copper occurrences and geophysical anomalies over approximately 35 kilometre strike of favourable geological horizon, all of which remain under-explored and mostly untested. The Project area shares geological characteristics, including similar age, with the Flin Flon volcanogenic massive sulphide (VMS) mining camp in Manitoba.

NEW AND REVISED MINERAL RESOURCE ESTIMATE
On September 13, 2018, the Company provided the results of a new mineral resource estimate dated September 4, 2018 (the "New 2018 Mineral Resource Estimate"). The New 2018 Mineral Resource Estimate included the addition of 19 diamond drill holes totaling 9,004 metres which were completed during the 2018 winter drilling program as well as a comprehensive re-interpretation of the geology of the Deposit using current and historical drilling data and reports. Please refer to the press release dated September 13, 2018 for full details.

The New 2018 Mineral Resource Estimate has been prepared by independent qualified person ("QP") Finley Bakker, P.Geo., and was calculated using Minesight/Hexagon 3D modeling software to define the mineralized limits of the Deposit.

The New 2018 Mineral Resource Estimate for the Deposit is as follows:

Category	Tonnes	Zn%	Cu%	Pb%	Ag (g/t)	Zn Eq%
Indicated	2,100,000	7.08	0.69	0.49	39.6	9.98
Inferred	7,600,000	4.45	0.57	0.19	18.4	6.29

The New 2018 Mineral Resource Estimate for the Deposit was determined on the basis of:

- Drilling results to March 24, 2018 and including historical diamond drilling used in the previous NI-43-101 resource estimate completed in 2008 and 2018;

- US$ metal prices of $1.20/lb Zn, $2.50/lb Cu, $1.00/lb Pb, $16.00/oz Ag and $1,200/oz Au;
- CDN$:US$ exchange rate of $1.20;
- An NSR cut-off of $90/tonne or 3.5% zinc equivalent ("Zn Eq") based on above metal prices;
- Average metallurgical and payable recovery of 75% for all metals;
- Indicated Resource was calculated using a two-hole minimum and a maximum distance of 60 metres from a diamond drill hole;
- Inferred Resource was calculated using a no-hole minimum and a maximum distance of 200 metres from a diamond drill hole;
- As much as possible, a 2 metre intercept minimum was used but not strictly adhere to;
- The resources were also manually reviewed and adjusted to take into consideration drill intercepts from previous operators in the areas of drilling carried out by the Company, and;
- 138 drill holes were used in the calculation and were used to model 2 mineral lenses.

SUMMER PROSPECTING PROGRAM

In July 2018, Murchison conducted a regional prospecting, sampling and mapping program (the "Summer Program") over a number of showings resulting in two new mineralized showings being identified for further exploration and potential drill targets.

Summer Program Highlights

- Identified and confirmed mineralization and geochemistry values on the historic Main Lake showing;
- Grab sample returns include 30.6 g/t silver, 1.44% copper, 11.65% zinc;
- Grades are similar to those obtained at the Deposit, and;
- Additional claims acquired proximal to the McIvor Channel showing.

Main Lake Showing

The Company identified the Main Lake showing located approximately 8 kilometres south of the Deposit between Brabant Lake and Main Lake with the assistance of historical reports where data was available on a number of mineralized trenches and workings, geophysical programs and drilling.

The Summer Program successfully located the historic trenching and workings approximately 100 metres apart. Sulphide mineralization identified contains chalcopyrite in micro fractures and as blebs as well as fine grained massive sphalerite. Results from the from rock sampling confirmed the high-grade nature of mineralization are similar to values obtained at the Deposit. Results are listed below.

Rock Sample Geochemistry Results at Main Lake Showing

Rock Sample	Zn %	Cu %	Ag g/t	Au g/t
SRC149955	0.072	0.55	10.9	0.14
SRC149956	0.25	1.44	30.6	1.47
SRC149957	1.16	0.15	3.8	0.04
SRC149958	11.65	0.31	11.3	0.05

McIvor Channel Showing

The Summer Program successfully located the historic McIvor Channel showing approximately 9 kilometres south of the Deposit on the east shore of the McIvor Channel. Six of eight historical trenches were identified as hosting massive sulphide mineralization of primarily pyrrhotite with chalcopyrite over a strike length of approximately 600 metres. Mineralization dips northwest potentially under the McIvor Channel. Historic work only included rock sampling which returned a value of 0.25% copper in one trench. Sampling from the July 2018 program returned anomalous values in copper.

No geophysics or follow up drilling was ever conducted to test this showing and prior to the Summer Program, no additional work had been carried out on this showing since 1968. Bruce Gemmell, Ph.D. (expert at VMS Deposits) suggests that "the high content of pyrrhotite of the showing may indicate proximity to the central part of a possible deposit and feeder zone, and suggests that it may be part of a more extensive system in the immediate area".

Based on the identification of the McIvor Channel showing the Company has staked an additional 348 hectares of land adjacent to its current claims package in order to cover any strike extension and proximal mineralization related to this mineralizing system.

2018 WINTER DRILL PROGRAM

On June 25, 2018, the Company announced the results of its 2018 winter diamond drilling program (the "Drill Program") on the Deposit where 19 holes (9,004 metres) were completed (see press release June 25, 2018 for full details).

The highlights of the Drill Program were:

- Mineralization intercepted in all 19 completed drill holes
- Known limits of mineralization extended
- Results continue to demonstrate high-grade nature and continuity of mineralization
- Developing new polymetallic zone identified above main mineralized zones
- Multiple zones of mineralization encountered
- Additional drill targets identified for potential tonnage additions to resources

Four holes were drilled from Pad A and focused on the untested northern edge of the Deposit. All holes continued to demonstrate the zonation of elevated copper values in this area of the Deposit.

Six holes were drilled from Pad B to test the central, lateral extent of the Deposit to the south as well as a newly identified polymetallic zone. This zone could not be included in the previous Technical Report's resource estimate because the continuity of the mineralization was not completely understood. All diamond drill holes intersected mineralization, usually in several zones and all continued to demonstrate the predictability and apparent continuity of the mineralizing system of the Deposit.

Eight holes were completed from Pad C to test the southern down dip portion of the Deposit and add definition between previous widely spaced drill holes.

As predicted in the geological model and confirmed by drilling, the continuity and high-grade nature of the mineralization continues to be demonstrated to depth. Specifically, drilling confirmed that the mineralization encountered at 950 metres down dip in the 2017 drilling appears contiguous with the main Deposit.

Three drill holes were drilled to test the lateral extent of the Deposit. All holes intersected mineralization and results suggest the limit of the Deposit is defined in this area.

BRABANT-McKENZIE PROJECT REGIONAL EXPLORATION
The Company plans to continue expanding its regional review of mineralized showings on the property and surrounding area with its 2019 late spring field exploration program to cover all new added claims.

For additional details, refer to Murchison's website: www.murchisonminerals.com.

For the year ended December 31, 2018, the Company incurred $2,389,764 (2017 - $1,166,053) at the Brabant Lake property

Pickle Lake Properties – Ontario

In June 2018, the Company received its last option payment ($20,000) from Ardiden Limited, an Australian exploration company.

As at December 31, 2018, Ardiden incurred approximately $750,000 in exploration at the properties. Ardiden needs to incur $1.2 million in exploration by June 30, 2019 in order acquire all of the Company's interest in its Pickle Lake properties.

HPM Property – Quebec (100%)

On February 28, 2019, the Company announced the acquisition of the other 50% interest in the nickel-copper-cobalt HPM property held by joint venture partner Pure Nickel Inc. On March 5, 2019, as per the agreement and following the TSX Venture Exchange approval, the Company paid $50,000 and issued 500,000 common shares of the Company to Pure Nickel Inc.

For the year ended December 31, 2018, the Company incurred $1,536 (2017 - $823) at the HPM property.

Qualified Persons

Exploration programs at the Company's project in Saskatchewan are being carried out under the supervision of Finley Bakker, P. Geo., "Qualified Person" as defined by National Instrument 43-101. Mr. Bakker is an independent consultant to Murchison and the Brabant-McKenzie Project. Mr. Bakker has supervised the preparation of, and confirmed all of the scientific and technical disclosure in this MD&A.

Access to Properties

The Company's access to its Canadian properties is dependent on climate and weather conditions. The Brabant property in Saskatchewan is accessible all year round. Typically, properties in Ontario are generally accessible all year round. All projects in Québec can be accessed from January to September as weather limits the activities during other times of the year.

RESULTS OF OPERATIONS

For the year ended December 31, 2018, the Company incurred a loss of $2,590,596 (2017 - $1,179,806). The increase of $1,410,790 is mainly related to the following factors: **1.** higher exploration expenses of $1,215,035 (2018 - $2,371,300 vs 2017 - $1,156,265) as the Company 2018 drill program at the Brabant Lake property included 12,431 metres in 25 holes (2017 – 5,653 metres in 10 holes) and also completed additional geophysical surveys on the property in 2018 **2.** higher management fees and salaries of $330,844 (2018 - $509,738 vs 2017 - $178,894) related to $50,000 paid in bonuses in Q1/18, the increase in the CEO's compensation to reflect the full time nature of the position in 2018 and a $225,000 termination payment in December 2018 to end the contract with the former President and CEO of the Company; **3.** higher share-based payments of $245,385 (2018 -

$245,385 vs 2017 - $nil) as the Company granted stock options in January 2018; **4.** higher investor relations expense of $116,691 (2018 - $213,992 vs 2017 - $97,301) as the Company attended more conferences in 2018, offset by; **5.** higher non-cash flow-through shares premium of $498,490 (2018 - $905,490 vs 2017 - $407,000) as the Company recognized the income based on increased exploration activities in Canada funded by flow-through financing.

For the year ended December 31, 2018, exploration expenses totaled $2,371,300 (2017 - $1,156,265) with $2,389,764 (2017 - $1,166,053) at the Brabant project in Saskatchewan, $1,536 (2017 - $823) at HPM in Quebec offset by a general exploration recovery of $20,000 (2017 – $10,611).

SELECTED ANNUAL INFORMATION

The following table sets out financial performance highlights for the last three years and was prepared in accordance with IFRS.

	December 31, 2018	December 31, 2017	December 31, 2016
Interest Income	$25,070	$10,601	$6,070
Operating Expenses (1)	$3,527,773	$1,592,447	$387,972
Loss	$2,590,596	$1,179,806	$645,067
Basic and Diluted loss per share	$0.06	$0.05	$0.03
Total Assets	$1,339,466	$4,439,525	$2,391,094
Exploration Expenses	$2,371,300	$1,156,265	$120,612

(1) The exploration expenses are included in operating expenses and share-based payments are excluded from operating expenses.

The interest income fluctuation from year to year is the direct result of the cash balance and short-term investments available in each of the years. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in the interest rates also has an impact on the interest income but such variation has been minimal for the years 2015 to 2017. The higher loss in 2018 was mostly related to the exploration activities and expenses at Brabant in Saskatchewan compared to prior years. The total assets in 2018 included $1.18 million in cash compared to $4.39 million in 2017 and $2.15 million in 2016.

SUMMARY OF QUARTERLY RESULTS

	Fourth Quarter 2018	Third Quarter 2018	Second Quarter 2018	First Quarter 2018
	$	$	$	$
Total Assets	1,339,466	1,830,107	2,023,442	2,972,594
Current Assets	1,337,356	1,827,179	2,019,567	2,968,676
Non-current Assets	2,110	2,928	3,875	3,918
Total Liabilities	179,866	247,462	283,988	947,136
Interest Income	4,607	5,475	5,335	9,653
Loss	516,683	156,809	286,004	1,631,100
Loss Per Share (1)	0.01	0.00	0.01	0.04

	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017	First Quarter 2017
	$	$	$	$
Total Assets	4,439,525	1,088,054	1,264,424	1,454,540
Current Assets	4,434,186	1,082,241	1,258,470	1,447,478
Non-current Assets	5,339	5,813	5,684	7,062
Total Liabilities	1,028,352	96,624	141,247	247,352
Interest Income	2,751	1,820	1,827	4,203
Loss	253,719	131,747	84,011	710,329
Loss Per Share (1)	0.01	0.01	0.00	0.03
(i) Loss per share remains the same on a diluted basis				

Due to the nature of the business, the cash balance and short-term investments generating interest income are subject to fluctuations from quarter to quarter. The timing of equity financing and ensuing exploration and operating expenses are the main factors affecting the level of funds invested from time to time. The variation in interest rates also has an impact on the interest income.

In Q4-2018, the Company made a $225,000 termination payment in December 2018 to end the contract with the former President and CEO of the Company. In Q1-2018, the Company completed a 12,431 metre drill program and a geophysical survey at the Brabant Lake project in Saskatchewan at a total cost of $1,9 million. This amount was offset by $744,494 of non-cash flow-through shares premium income. In Q4-2017, the Company completed a non-brokered private placement of units and flow-through shares for gross proceeds of $3,839,189 which triggered the recognition of a $905,490 non-cash flow-through share premium liability. In Q1-2017, the Company was actively drilling at its Brabant McKenzie project in Saskatchewan and incurred $919,910 in exploration. This amount was offset by $326,357 of non-cash flow-through shares premium income.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had no debt, cash of $1,176,697 and working capital (excluding flow-through share premium liability) of $1,199,157 (December 31, 2017 – $4,394,940 and $4,311,324, respectively). The Company's excess cash, when available, is deposited into interest-bearing accounts or invested in redeemable GICs with major Canadian chartered banks.

As at December 31, 2018, the Company had amounts receivable and prepaid expenses totaling $160,659 which included sales tax receivable of $75,493, prepaid expenses of $84,350 and $816 of other receivable. The prepaid expenses include a $62,239 related to an airborne geophysical program to be completed in January 2019 and the balance is related to insurance, conference and rent.

In June 2018, the Company also received $20,000 from its option agreement with Ardiden Limited.

The December 31, 2017, consolidated financial statements were prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge liabilities in the normal course of business. The Company's ability to continue as a going concern is always dependent on its ability to raise new funds to meet its obligations and continue its exploration activities.

Equity Financing

The Company's exploration projects are at an early stage and it has not yet been determined whether any of its properties contain economically recoverable ore. As a result, the Company has no current sources of revenue and has relied on the issuance of shares to generate the funds required to further its projects.

Private Placement
On December 27, 2018, the Company completed a non-brokered flow-through private placement and issued 1,666,667 flow-through common shares priced at $0.09 per share for gross proceeds of $150,000 of which, $41,667 was allocated to the flow-through premium. Finders' fees of $9,000 were also paid.
All securities issued were subject to a four-month and one day statutory hold period.

Warrants
On August 10, 2018, 4,670,400 warrants exercisable at $0.30 expired unexercised. On August 31, 2018, 3,147,600 warrants also exercisable at $0.30 expired unexercised.

Stock Options
In January 2018, the Company granted 1,435,000 stock options exercisable at $0.19 to its officers, directors and key consultants. The options are for a period of 5 years and vested immediately. On September 30, 2018, 66,000 stock options exercisable at $0.70 expired. On February 28, 2019, 435,500 stock options exercisable at $0.70 expired unexercised.

On March 6, 2019, the Company granted 665,000 stock options to directors, officers and key consultants. The options are exercisable at $0.095 for 5 years and vest immediately.

General
The Company's ability to successfully acquire mineral projects or recover amounts expended on mineral properties is conditional on its ability to secure financing when required. The Company expects to meet additional financing requirements through equity financing. The Company may seek other alternatives for financing in the future depending on market conditions and exploration results; however, there can be no assurance that such financing attempts will be successful. The impact on our business and the cost and availability of financing remain uncertain and could affect our overall liquidity.

Commitments and Obligations
As at December 31, 2018, the Company had to incur $150,000 in qualifying exploration expenditures by December 31, 2019 to meet its flow-through commitment as described in note 14 of the financial statements for the year ended December 31, 2018. At this time, management anticipates meeting that obligation and as a result, no additional provisions are required.

In May 2017, a former director of the Company filed a claim under the Toronto Small Claims Court in an amount of $23,720. In June 2017, the Company filed a Defense Statement as it believed the claim was without merit. The Company also filed a Defendant's Claim against the former director in the amount of $25,000 for breach of fiduciary duty, negligence and negligent misrepresentation. The Company attended court on June 21, 2018 and on October 23, 2018, the judge rendered judgement in the matter and dismissed the former director's claim and ruled in the Company's favour in relation to its claims for breach of fiduciary duty, negligence and negligent misrepresentation. The Company received $10,500 from the former director as a final settlement.

The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company has no long-term contractual obligations.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

a) Remuneration of directors and the officers was as follows:

	2018	2017
Salaries and benefits	$ 509,738	$ 190,519
Share-based payments	211,185	-
	$ 720,923	**$ 190,519**

For the year ended December 31, 2018, the salaries and benefits amount above includes $111,250 (2017 - $104,719) for fees invoiced by a corporation controlled by the CFO of the Company for his services and $167,500 (2017 - $85,800) and $225,000 (2017 - $nil) for fees and termination payment respectively, invoiced by a corporation controlled by the former CEO of the Company for his services. Also in the salaries and benefits for the year ended December 31, 2018 is $5,988 (2017 - $nil) paid to the Interim CEO for his services as CEO. Included in accounts payable and accrued liabilities at December 31, 2018 is $10,374 (2017 - $20,780) owed to corporation controlled by the CFO and $6,247 (2017 - $nil) owed to the Interim CEO.

b) Private Placement

As part of the private placement completed in December 2017, directors and officers of the Company acquired 3,800,000 units for gross proceeds of $760,000 and 477,000 flow-through common shares for gross proceeds of $114,480.

PROPOSED TRANSACTIONS

The Company continues to evaluate quality exploration projects and financing opportunities. There are no transactions currently pending.

CHANGES IN ACCOUNTING POLICIES

During the year ended December 31, 2018, the Company changed its accounting policy for mineral exploration properties to expense acquisition costs in the statements of loss and comprehensive loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources. Management judges that the change in accounting policy will result in clearer, more relevant and reliable financial information.

The previous accounting policy was to capitalize costs to acquire exploration and evaluation property interests in respect of each identifiable area of interest, once the legal right to explore had been acquired.

The impact of this change had no material impact on the previously reported financial statements for the year ended December 31, 2017.

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted. At January 1, 2018, the Company adopted this amendment and there was no material impact on the Company’s consolidated financial statements.

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

IFRS 16 – Leases (“IFRS 16”) was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

FINANCIAL INSTRUMENTS

	2018	2017
Financial assets:		
Amortized cost		
Cash and cash equivalents	$ 4,394,940	$ 4,394,940
Amounts receivable	816	-
FVPL		
Investments	2,110	5,339
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 138,199	$ 122,862

As of December 31, 2018 and December 31, 2017, the fair value of all the Company's financial instruments approximates the carrying value, due to their short-term nature, except as for the investment which is presented at fair value.

As at December 31, 2018, the Company’s financial instrument *Investment* on the consolidated statements of financial position was recorded at level 1 with a fair value of $2,110 (2017 - $5,339).

Significant accounting judgments and estimates:
The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates.

The areas that require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to the following:

- ***Assets' carrying values and impairment charges***
  In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- ***Income and other taxes***
  Income tax on the profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

  Current tax expense is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

  Deferred tax is provided using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position reporting date.

  A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

- ***Share-based payments***
  Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgments used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates. The Company currently estimates the expected volatility of its common shares based on historical volatility taking into consideration the expected life of the options and warrants.

Capital Management:

The Company manages its capital with the following objectives:

- to ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions and
- to maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by Management and the Board of Directors on an ongoing basis.

The Company considers its capital to consist of equity, comprising share capital, reserves and deficit. The Company manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating expenditures, and other investing and financing activities. The forecast is regularly updated based on its exploration and development activities. Selected information is regularly provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2018 and 2017. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data
As of March 6, 2019, the following are outstanding:

• Common Shares	44,709,881
• Stock Options	3,732,300
• Warrants	4,844,970

Uncertainties and Risk Factors
An investment in the securities of the Company is highly speculative and involves numerous and significant risks. Such investment should be undertaken only by investors whose financial resources are sufficient to enable them to assume these risks and who have no need for immediate liquidity in their investment. Prospective investors should carefully consider the risk factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position.

In addition to the risks outlined below, Murchison has identified the extreme volatility occurring in the financial markets as a significant risk for the Company. As a result of the market turmoil, investors are moving away from assets they perceive as risky to those they perceive as less so. Companies like Murchison are considered risk assets and as mentioned above are highly speculative. The volatility in the markets and investor sentiment may make it difficult for the Company to access the capital markets to raise the funds required for its future expenditures.

Exploration, Development and Operating Risks
Mining operations generally involve a high degree of risk. The Company's operations are subject to all the hazards and risks normally encountered in the exploration, development and production of gold, precious metals and other minerals, including unusual and unexpected geologic formations, seismic activity, rock bursts, cave-ins, flooding and other conditions involved in the drilling and removal of material, any of which could result in damage to, or destruction of, mines and other producing facilities, damage to life or property, environmental damage and possible legal liability. Although adequate precautions to minimize risk will be taken, milling operations are subject to hazards such as equipment failure or failure of retaining dams around tailings disposal areas which may result in environmental pollution and consequent liability.

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of a mineral-bearing structure may result in substantial rewards, few properties which are explored are ultimately developed into producing mines.

Major expenses may be required to locate and establish mineral reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that the exploration or development programs planned by The Company will result in a profitable commercial mining operation. Whether a gold or other mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as quantity and quality of mineralization and proximity to infrastructure; mineral prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in The Company not receiving an adequate return on invested capital.

There is no certainty that the expenditures made by the Company towards the search and evaluation of gold or other minerals will result in discoveries of commercial quantities of gold or other minerals.

Country Risk
The Company may conduct business in jurisdictions and some countries in which the title to its properties may be uncertain or where access to infrastructure, or political stability, or security, among other things, may be unknown, or known, and prevent, or severely compromise, the Company from carrying out business. It may be that the Company accepts some or all of these risks, to the extent that they can be determined at all, in favour of acquiring properties with exceptional exploration and development potential, and may ultimately be prevented from exploring and developing those properties for any number of reasons which may, or may not, be predictable, foreseeable, or manageable.

Current Economic Conditions
There are significant uncertainties regarding the price of precious metals and other minerals and the availability of equity financing for the purposes of mineral exploration and development. The prices of precious metals and other minerals have fluctuated substantially over the past several years. The Company's future performance is largely tied to the development of its current mineral properties and the overall financial markets. Current financial markets are likely to be volatile for the remainder of the calendar year, reflecting ongoing concerns about the stability of the global economy and global growth prospects. As well, concern about global growth has led to sustained drops in the commodity markets for commodities other than gold. As a result, the Company may have difficulties raising equity financing for the purposes of mineral exploration and development, particularly without excessively diluting present shareholders of the Company. These economic trends may limit the Company's ability to develop and/or further explore its mineral property interests.

Limited Operating History
The Company has a very limited history of operations, is in the early stage of exploration and must be considered a start-up company. As such, the Company is subject to many risks common to such enterprises, including under-capitalization, cash shortages, limitations with respect to personnel, financial and other resources and lack of revenues. It is common in new mining operations to experience unexpected problems and delays. In addition, delays in the commencement of mineral production often occur. There is no assurance that the Company will be successful in achieving a return on shareholders' investment or successfully establish mining operations and the likelihood of success must be considered in light of its early stage of operations.

Reliability of Resource Estimates
There is no certainty that any mineral resources identified in the future on any of the Company's properties will be realized. Until a deposit is actually mined and processed the quantity of mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral resources may vary depending on, among other things, metal prices. Any material change in quantity of mineral resources, grade or stripping ratio may affect the economic viability of any project undertaken by the Company. In addition, there can be no assurance that gold recoveries or other metal recoveries in small-scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production.

Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition from time to time.

Insurance and Uninsured Risks
The Company's business is subject to a number of risks and hazards generally, including adverse environmental conditions, industrial accidents, labour disputes, unusual or unexpected geological conditions, ground or slope failures, cave-ins, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods and earthquakes. Such occurrences could result in damage to mineral properties or production facilities, personal injury or death, environmental damage to The Company's properties or the properties of others, delays in mining, monetary losses and possible legal liability.

Although the Company may in the future maintain insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance will not cover all the potential risks associated with a mining company's operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration and production is not generally available to the Company or to other companies in the mining industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards which may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

Environmental Risks and Hazards
All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Environmental hazards may exist on the properties on which the Company holds interests which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties.

Government approvals and permits are currently, and may in the future be required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Amendments to current laws, regulations and permits governing operations and activities of mining and exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Infrastructure
Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Land Title
No assurances can be given that there are no title defects affecting property or any other property interests of the Company. Title insurance generally is not available, and the Company's ability to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be severely constrained. Furthermore, the Company has not conducted surveys of the claims in which it holds an interest and, therefore, the precise area and location of such claims may be in doubt. Accordingly, the Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, including native land claims, and title may be affected by, among other things, undetected defects. In addition, the Company may be unable to operate its properties as permitted or to enforce its rights with respect to its properties.

Competition
The mining industry is competitive in all of its phases. The Company faces strong competition from other mining companies in connection with the acquisition of properties producing, or capable of producing, precious and base metals. Many of these companies have greater financial resources, operational experience and technical capabilities than the Company. As a result of this competition, the Company may be unable to maintain or acquire additional attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital
The development and exploration of the Company's properties will require substantial additional financing.

Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the Company's properties or even a loss of property interest. The primary source of funding available to the Company consists of equity financing. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The price of the Company's common shares, the Company's financial results and exploration, development and mineral development activities may in the future be significantly adversely affected by declines in the price of precious metals or other minerals. The price of precious metals and other minerals fluctuates widely and is affected by numerous factors beyond the Company's control such as the sale or purchase of commodities by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuation in the value of the United States dollar and foreign currencies, global and regional supply and demand, the political and economic conditions of major mineral-producing countries throughout the world, and the cost of substitutes, inventory levels and carrying charges. Future serious price declines in the market value of precious metals or other minerals could cause continued development of and commercial production from the Company's properties to be impracticable. Depending on the price of precious metals and other minerals, cash flow from mining operations may not be sufficient and the Company could be forced to discontinue production and may lose its interest in, or may be forced to sell, some of its properties. Future production from the Company's mineral exploration properties is dependent upon the prices of precious metals and other minerals being adequate to make these properties economic.

In addition to adversely affecting the Company's future resource or reserve estimates, if any, and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if the project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

Government Regulation

The development and mineral exploration activities of the Company are subject to various laws governing prospecting, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use, land claims of local people and other matters. In addition, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not otherwise be applied in a manner which could limit or curtail production or development in any of the jurisdictions in which the Company operates. Amendments to other current laws and regulations governing mineral exploration and development or more stringent implementation thereof could also have a substantial adverse impact on the Company.

Dividend Policy

No dividends on the common shares have been paid by the Company to date. Payment of any future dividends will be at the discretion of the Company's board of directors after taking into account many factors, including the Company's operating results, financial condition and current and anticipated cash needs.

Dilution to the Company Common Shares

As of March 6, 2019, the Company had 44,709,881 common shares and 8,577,270 convertible securities issued and outstanding. The increase in the number of securities issued and outstanding and the possibility of sales of such shares may have a depressive effect on the price of the common shares. In addition, as a result of such additional securities, the voting power of the existing shareholders in the Company will be diluted.

Key Executives
The Company is dependent on the services of key executives, including the directors of Murchison and a small number of highly skilled and experienced executives and personnel. Due to the relatively small size of the Company, the loss of these persons or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest
Certain of the directors and officers of the Company also serve as directors and/or officers of other companies involved in natural resource exploration and development and consequently there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Murchison should be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Murchison and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the Canada Business Corporations Act and other applicable laws.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements based on the Company's current expectations. Forward-looking information can often be identified by forward looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance.

These forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those presented in this document. Accordingly, the Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates or opinions should change, unless required by law. Readers are cautioned not to place undue reliance on forward-looking information.