MURCHISON MINERALS LTD.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2019 AND 2018

(Expressed in Canadian Dollars)

(Unaudited)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditor.

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
(Unaudited)
As at

	March 31, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash	$ 891,882	$ 1,176,697
Amounts receivable and prepaid expenses (Note 6)	53,858	160,659
Total current assets	945,740	1,337,356
Investment (Note 7)	2,928	2,110
Total assets	**$ 948,668**	**$ 1,339,466**
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities (Note 12)	$ 180,029	$ 138,199
Flow-through share premium liability (Note 13)	-	41,667
Total liabilities	180,029	179,866
EQUITY		
Share capital (Note 9)	28,960,886	28,895,886
Reserves (Notes 10 and 11)	1,056,520	1,266,467
Deficit	(29,248,767)	(29,002,753)
Total equity	768,639	1,159,600
Total equity and liabilities	**$ 948,668**	**$ 1,339,466**

Nature and Continuance of Operations (Note 1)
Commitments and Contingencies (Note 13)

Approved on Behalf of the Board:

"signed"
Jean-Charles Potvin
Director

"signed"
Denis Arsenault
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
(Unaudited)

Three Months Ended March 31,	2019	2018
EXPENSES		
Exploration expenses	$ 345,218	$ 1,918,442
Professional fees	12,084	11,966
Management fees and salaries (Note 12)	70,505	123,344
Office and general	13,575	11,066
Regulatory and transfer agent	11,281	42,080
Investor relations	48,413	36,374
Share-based payments (Notes 11 and 12)	61,180	245,385
Loss before the under noted	**562,256**	**2,388,657**
Interest income	(2,628)	(9,653)
Foreign exchange gain	(2)	(4,831)
Flow-through shares premium	(41,667)	(744,494)
Unrealized (gain) loss on marketable securities (Note 7)	(818)	1,421
Loss for the period	**$ 517,141**	**$ 1,631,100**
Loss per share - basic and diluted	**$ 0.01**	**$ 0.04**
Weighted average number of common shares outstanding - basic and diluted	44,622,210	42,543,834

The accompanying notes are an integral part of these condensed interim consolidated financial statements

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF EQUITY
(Expressed in Canadian Dollars)
(Unaudited)

		Reserves			
	Share Capital	Equity settled share-based payments reserve	Warrants reserve	Deficit	Total
Balance, December 31, 2017	**$ 28,802,248**	**$ 598,266**	**$ 1,241,802**	$ **(27,231,143)**	**$ 3,411,173**
Net loss for the period	-	-	-	(1,631,100)	(1,631,100)
Issuance of stock options	-	245,385	-	-	245,385
Balance, March 31, 2018	**$ 28,802,248**	**$ 843,651**	**$ 1,241,802**	**$ (28,862,243)**	**$ 2,025,458**
Balance, December 31, 2018	**$ 28,895,886**	**$ 808,011**	**$ 458,456**	**$ (29,002,753)**	**$ 1,159,600**
Net loss for the period	-	-	-	(517,141)	(517,141)
Issuance of common shares	65,000	-	-	-	65,000
Issuance of stock options	-	61,180	-	-	61,180
Expiry of stock options	-	(271,127)	-	271,127	-
Balance, March 31, 2019	**$ 29,960,886**	**$ 598,064**	**$ 458,456**	**$ (29,248,767)**	**$ 768,639**

The accompanying notes are an integral part of these condensed interim consolidated financial statements

MURCHISON MINERALS LTD.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
(Unaudited)

Three Months Ended March 31,	**2019**	**2018**
CASH (USED IN) PROVIDED BY:		
OPERATING ACTIVITIES		
Loss for the period	$ (517,141)	$ (1,631,100)
Share-based payments	61,180	245,385
Flow-through shares premium	(41,667)	(744,494)
Unrealized (gain) loss on marketable securities	(818)	1,421
Common shares issued for mineral property	65,000	-
	(433,446)	(2,128,788)
Net change in non-cash working capital items:		
Amounts receivable and prepaid expenses	106,801	(85,922)
Accounts payable and accrued liabilities	41,830	663,278
Net cash flows used by operating activities	(284,815)	(1,551,432)
NET CHANGE IN CASH	**(284,815)**	**(1,551,432)**
CASH, BEGINNING OF THE PERIOD	**1,176,697**	**4,394,940**
CASH, END OF THE PERIOD	**$ 891,882**	**$2,843,508**
Supplemental non-cash information		
Shares issued for mineral property	$ 65,000	$ -

1. NATURE AND CONTINUANCE OF OPERATIONS

Murchison Minerals Ltd. (the "Company" or "Murchison") was incorporated under the Canada Business Corporations Act on July 25, 2001. The principal business of the Company is the acquisition, exploration and evaluation of mineral property interests. The primary office is located at 120 Adelaide Street West, Suite 2500, Toronto, Ontario, Canada, M5H 1T1.

The condensed interim consolidated financial statements were approved by the Board of Directors on April 29, 2019.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that planned exploration and evaluation programs will result in profitable mining operations. The continuance of the Company is dependent upon completion of the acquisition of the exploration and evaluation properties, the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain necessary financing to complete the development and future profitable production or, alternatively, upon disposition of such property at a profit. Changes in future conditions could require material write downs of the carrying values of the Company's assets.

Although the Company has taken steps to verify title to its exploration and evaluation properties, in accordance with industry standards for the current stage of exploration of such property, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and noncompliance with regulatory and environmental requirements. The Company's assets may also be subject to increases in taxes and royalties, renegotiation of contracts, currency exchange fluctuations and restrictions and political uncertainty.

As at March 31, 2019, the Company has a cumulative deficit of $29,248,767 (December 31, 2018 - $29,002,753), continuing losses and is not yet generating positive cash flows from operations. These condensed interim consolidated financial statements were prepared on a going-concern basis in accordance with International Financial Reporting Standards ("IFRS"). Funding for operations has been obtained primarily through private share offerings. Future operations are dependent upon the Company's ability to finance expenditure requirements and upon the achievement of profitable operations. Management believes it will be successful in raising the necessary funding to continue operations in the normal course of operations; however, there is no assurance that these funds will be available on terms acceptable to the Company or at all. These condensed interim consolidated financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations. Such adjustments could be material.

2. SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Accordingly, these unaudited condensed interim consolidated financial statements do not include all of the information and footnotes required by IFRS for complete financial statements for year-end reporting purposes.

Basis of consolidation

Subsidiaries are entities over which the Company has control, where control is defined to exist when the Company is exposed to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date control is transferred to the Company, and are de-consolidated from the date control ceases.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Exploration and evaluation properties

The acquisition costs of exploration and evaluation properties are expensed the condensed interim consolidated statements of loss in the period incurred, as permitted under IFRS 6, Exploration for and Evaluation of Mineral Resources.

The acquisition costs of exploration and evaluation properties include the cash consideration and the estimated fair market value of share-based payments issued for such property interests.

Exploration costs are expensed in the period incurred. Option payments which are solely at the Company's discretion are recorded as acquisition costs as they are made. Administrative expenditures are expensed in the period incurred.

New accounting standards

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. At January 1, 2019, the Company adopted this standard and there was no material impact on the Company's condensed interim consolidated financial statement.

3. 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 which at March 31, 2019 totalled $768,639 (December 31, 2018 - $1,159,600). 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 period ended March 31, 2019. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

4. FINANCIAL RISK FACTORS

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate and commodity price risk).

Risk management is carried out by the Company's management team under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the period ended March 31, 2019.

Credit risk

Credit risk is the risk of loss associated with a counterparty’s inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash balances and amounts receivable. Cash is held with reputable banks, from which management believes the risk of loss to be remote. Financial instruments included in amounts receivable consist of sales tax receivable and refundable tax credits from government authorities in Canada. Management believes that the credit risk concentration with respect to financial instruments included in amounts receivable is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2019, the Company had a cash balance of $891,882 (December 31, 2018 - $1,176,697) to settle accounts payable and accrued liabilities of $180,029 (December 31, 2018 - $138,199). All of the Company's financial liabilities generally have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

Interest rate risk
The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in certificates of deposit or interest bearing accounts at major Canadian chartered banks. The Company periodically monitors the investments it makes and is satisfied with the creditworthiness of its Canadian chartered banks. Management believes that interest rate risk is minimal as cash and cash equivalents investments have maturities of three months or less.

Commodity price risk
Commodity price risk could adversely affect the Company. In particular, the Company’s future profitability and viability of development depends upon the world market price of commodities. Commodity prices have fluctuated widely in recent years. There is no assurance that, even as commercial quantities of base and/or precious metals may be produced in the future, a profitable market will exist for them. A decline in the market price of commodities may also require the Company to reduce its mineral resources, which could have a material and adverse effect on the Company’s value. As at March 31, 2019, the Company is not a commodities producer. As a result, commodity price risk may affect the completion of future equity transactions such as equity offerings and the exercise of stock options and warrants. This may also affect the Company's liquidity and its ability to meet its ongoing obligations.

Sensitivity analysis

Based on management's knowledge and experience, the Company believes the following movements are “reasonably possible” over a one-year period:

(i) Based on cash balances earning interest at March 31, 2019, a 1% change in interest rates would result in a corresponding interest income change of approximately $8,000 for the one-year period.

(Expressed in Canadian Dollars)

5. CATEGORIES OF FINANCIAL INSTRUMENTS

	March 2019	December 2018
Financial assets:		
Amortized cost		
Cash	$ 891,882	$ 1,176,697
Amounts receivable	-	816
FVPL		
Investment	2,928	2,110
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 180,029	$ 138,199

As of March 31, 2019 and December 31, 2018, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

6. AMOUNTS RECEIVABLE AND PREPAID EXPENSES

	March 31 2019	December 31 2018
Sales tax receivable	$ 6,908	$ 75,493
Other receivable	-	816
Prepaid expenses and advances	46,950	84,350
	$ 53,858	$ 160,659

7. INVESTMENT

The Company's investment is classified as fair value through profit and loss (“FVPL”) and is carried at fair value. The balance is comprised of the following:

	Number of shares	March 31 2019	December 31 2018
First Mining Gold Corp.	8,612	$ 2,928	$ 2,110

The Company holds 8,612 (December 2018 – 8,612) common shares of First Mining Gold Corp. The unrealized gain of $818 for the period ended March 31, 2019 (March 31, 2018 – loss of $1,421) was recognized on the condensed interim consolidated statement of loss.

8. EXPLORATION AND EVALUATION PROPERTIES

Canada

Brabant Lake Property – Saskatchewan

As at March 31, 2019, the Company held a 100% interest in certain claims forming the Brabant Lake property in Saskatchewan.

8. EXPLORATION AND EVALUATION PROPERTIES (Continued)

Pickle Lake Properties - Ontario

The Company holds a 51% interest in the Dorothy-Dobie Lake property and the Kasagiminnis property, both located in the Pickle Lake Greenstone Belt. The Company also has a 100% interest in the Pickle Lake Gold property which comprises certain claims acquired in 2009.

In June 2016 (with amendment on February 2, 2017), the Company entered into an agreement with White Metal Resources Corp. ("White Metal") whereby White Metal can acquire all of the Company's interest ("Earned Interest") in its above Pickle Lake Gold properties. White Metal may exercise the option and acquire the Earned Interest by completing all of the following expenditures and cash payments:

(i) pay $10,000 at the signing of the agreement (received);
(ii) pay $15,000 on or before the date which is 12 months from the date of the agreement (received);
(iii) pay $20,000 on or before the date which is 24 months from the date of the agreement. (received)
(iv) spend $1,200,000 over three years beginning on the date of the agreement as follows:

i. complete a work commitment of $900,000 on or before the date which is twenty-four (24) months from the date of the agreement (with at least $250,000 on drilling);
ii. complete a cumulative work commitment of $1,200,000 on or before the date which is thirty-six (36) months from the date of the agreement (with at least $700,000 on drilling).

(v) once the Earned Interest is completed, Murchison will be entitled to a 1% net smelter return (the "NSR") of which fifty percent (50%) can be purchased by White Metal for $1,000,000 and the balance of the other fifty percent (50%) of the said NSR can be purchased for $1,500,000.

Upon completion of the option payments and expenditures, White Metal will deliver a notice to the Company setting out that it has exercised the option, and the date of the option notice shall be deemed to be the date in which White Metal's Earned Interest in the properties pursuant to the option shall be effective, subject to the Murchison's NSR.

On July 27, 2017, White Metal assigned its option and right to acquire the Earned Interest to Ardiden Ltd., an Australian exploration company.

In August 2014, the Company entered into an agreement with Frontline Gold Corporation ("FGC") and White Metal whereby FGC acquired 100% of the Company's 51% interest and the 49% interest held by White Metal in two claims known as the Pickle Lake East property. The claims will be subject to a 2% NSR (1% for the Company and 1% to White Metal for which 0.5% can be purchased for $500,000 from each of White Metal and the Company).

HPM Property - Quebec

On February 28, 2019, the Company announced the acquisition of the other 50% interest held by joint venture partner Pure Nickel Inc. in the nickel-copper-cobalt HPM property. 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 valued at $65,000 to Pure Nickel Inc. The Company now owns 100% of the HPM property in Québec.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL

(a) Authorized Share Capital

The Company's authorized share capital consists of an unlimited number of common shares.

(b) Issued

	Number of Shares		Amount
Balance – December 31, 2017 and March 31, 2018	**42,543,214**	**$**	**28,802,248**
Balance - December 31, 2018	**44,209,881**	**$**	**28,895,886**
Issuance of common shares (i)	500,000		65,000
Balance – March 31, 2019	**44,709,881**	**$**	**28,960,886**

(i) On March 5, 2019, the Company completed the acquisition of the remainder 50% interest in the nickel-copper-cobalt HPM property held by joint venture partner Pure Nickel Inc. by making a cash payment of $50,000 and issued 500,000 common shares of the Company valued at $65,000 to Pure Nickel Inc.

10. WARRANTS AND FINDERS' WARRANTS

The following summarizes the warrants and finders' warrants activity for the three months ended March 31, 2019 and March 31, 2018:

	Number of Warrants	Issue Date Fair Value	Weighted Average Exercise Price
Balance - December 31, 2017 and March 31, 2018	**12,662,970**	**$ 1,241,802**	**$ 0.28**
Balance - December 31, 2018 and March 31, 2019	**4,844,970**	**$ 458,456**	**$ 0.24**

As at March 31, 2019, the Company had warrants and finders' warrants outstanding as follows:

Date of Grant	Number of Warrants	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date	Weighted Average Remaining Contractual Life (years)
December 15, 2017	3,879,942	0.24	364,495	December 15, 2019	0.71
December 21, 2017	965,028	0.24	93,961	December 21, 2019	0.73
	4,844,970		**458,456**		**0.72**

(Expressed in Canadian Dollars)

11. STOCK OPTIONS

The Company maintains a stock option plan whereby certain key employees, officers, directors and consultants may be granted stock options for common shares of the Company. The maximum number of common shares that is issuable under the plan was fixed at 10% of the number of common shares issued and outstanding (a maximum of 5% of the number of common shares issued and outstanding may be held by any one person). Options expire after a maximum period of five years following the date of grant. Vesting provisions are determined at the time of each grant.

The following summarizes the stock option activity for the periods ended March 31, 2019 and 2018:

	Number of Stock Options		Weighted Average Exercise Price
Balance - December 31, 2017	**2,133,800**	**$**	**0.39**
Granted (i)	1,435,000		0.19
Balance – March 31, 2018	**3,568,800**		**0.31**
Balance - December 31, 2018	**3,502,800**	**$**	**0.30**
Granted (ii)	665,000		0.10
Expired	(638,900)		0.56
Balance – March 31, 2019	**3,528,900**		**0.22**

(i) On January 10, 2018, the Company granted 1,435,000 stock options exercisable at $0.19 for 5 years to directors, officers and consultants of the Company. The grant date fair value of the these options of $245,385 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 1.95%, expected volatility – 145%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the $245,385 fair value was recorded as share-based payment on the *Statement of Loss* for the period ended March 31, 2018.

(ii) On March 6, 2019, the Company granted 665,000 stock options exercisable at $0.095 for 5 years to directors, officers and consultants of the Company. The grant date fair value of the these options of $61,180 was estimated using the Black Scholes valuation model with the following weighted average assumptions: risk free interest rate – 1.69%, expected volatility – 186%, expected dividend yield – 0%, expected forfeiture rate of – 0% and expected life – 5 years. The options vested immediately and the $61,180 fair value was recorded as share-based payment on the *Statement of Loss* for the period ended March 31, 2019.

As at March 31, 2019, the Company had incentive stock options issued to directors, officers, employees and key consultants of the Company outstanding as follows:

Date of Grant	Options Outstanding(1)	Exercise Price ($)	Grant Date Fair Value ($)	Expiry Date	Weighted Average Remaining Contractual Life (years)
December 2, 2014	558,900	0.30	67,068	December 2, 2019	0.67
August 22, 2016	600,000	0.30	149,400	June 30, 2019	0.25
September 27, 2016	305,000	0.30	75,945	September 27, 2021	2.50
September 27, 2016	65,000	0.30	16,185	June 30, 2019	0.25
January 10, 2018	885,000	0.19	151,336	January 10, 2023	3.78
January 10, 2018	450,000	0.19	76,950	June 30, 2019	0.25
March 6, 2019	665,000	0.095	61,180	March 6, 2024	4.94
	3,528,900	**0.22**	**598,064**		**2.28**

(1) All options are exercisable.

(Expressed in Canadian Dollars)

12. RELATED PARTY TRANSACTIONS

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

Three months ended March 31,	**2019**	**2018**
Salaries and benefits	$ 70,505	$ 123,344
Share-based payments	59,340	211,185
	$ 129,845	**$ 344,529**

For the three month period ended March 31, 2019, the salaries and benefits amount above includes $30,500 (2018 - $55,844) for fees invoiced by a corporation controlled by the CFO of the Company for his services and $40,005 (2018 - $nil) for fees invoiced by the Interim CEO of the Company for his services as CEO. Also, $nil (2018 - $67,500) was included in the salaries and benefits amount above for fees invoiced by a corporation controlled by the former CEO of the Company. Included in accounts payable and accrued liabilities at March 31, 2019 is $21,199 (December 31, 2018 - $10,376) owed to the corporation controlled by the CFO and $20,237 (December 31, 2018 - $6,247) to the Interim CEO.

13. COMMITMENTS AND CONTINGENCIES

Flow-Through Obligation

As at March 31, 2019, the Company incurred the $150,000 in qualifying exploration expenditures prior to December 31, 2019 and its flow-through commitment was $nil (December 31, 2018, $41,667).

Environmental

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.

End of Notes to Financial Statements

MURCHISON MINERALS LTD.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

This Management's Discussion and Analysis ("MD&A") is intended to supplement the condensed interim consolidated financial statements and notes of Murchison Minerals Ltd. (the "Company" or "Murchison") for the three months ended March 31, 2019. The unaudited condensed interim consolidated financial statements including comparative figures have been prepared by the Company in accordance with International Financial Reporting Standards ("IFRS") applicable to preparation of interim 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 have been prepared in accordance with IFRS and available on the Company's web-site (www.murchisonminerals.com). This MD&A covers the most recently completed financial quarter and the subsequent period up to April 29, 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 focus on its Brabant Lake property which includes the high-grade Brabant-McKenzie zinc-copper-silver deposit (the "Deposit") in north-central Saskatchewan. The Company also owns 100% of 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 in MD&A for the year ended December 31, 2018, 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. The Company originally estimated that half of this amount would be committed to complete the Versatile Time-Domain Electromagnetic (VTEM™ Max) airborne geophysical survey in January 2019 but the positive initial results led the Company to significantly increase the size of the geophysical survey and acquire additional claims at and around our Brabant Lake project (the "Property"). As of the date of this MD&A, the Company has met its flow-through obligation for 2019.

The Company is planning a follow up field prospecting program at the Property expected to start in late May 2019 which will cover newly acquired claims and approximately 30 recently identified geophysical anomalies.

In 2019, the Company is also planning to conduct a diamond drill program over 10 previously identified drill targets at the Property, subject to funds availability and/or financing.

Regionally, the Company is focused on identifying additional deposits on the Property and believes that in addition to the Deposit, 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 38 kilometre strike length.

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

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 38 kilometre strike length of favourable geological horizon, all of which remain under-explored and mostly untested. The Property area shares geological characteristics, including similar age, with the Flin Flon volcanogenic massive sulphide (VMS) mining camp in Manitoba.

GEOPHYSICAL INTERPRETATION AND MODELLING

The Company recently provided an update on the geophysical interpretation of data collected by the VTEM-Max airborne survey completed in January 2019 on the Property.

To date, fifteen (15) priority drill targets have been defined and modelled in detail. Most of these targets have been derived from the heliborne electromagnetic VTEM-Max and magnetic survey (the "Survey") completed in January 2019, with three of the targets having been subjected to additional ground geophysical follow-up.

Approximately half of the 324 km^2 property has been covered with the Survey. To date, only 25% of the area surveyed has been reviewed in detail. The Company believes that additional priority targets will undoubtedly be identified before the upcoming summer exploration program, which will consist of target specific and regional prospecting and mapping. This summer program is scheduled to start in late May 2019.

The anomaly selection is based on the Deposit's geophysical signature and VMS deposit type geophysical characteristics. The Deposit's signature consists of isolated moderate conductivity EM responses with coincident magnetic high. The EM response is mainly attributed to the presence of conductive sulphide minerals pyrrhotite and chalcopyrite. The zinc is mainly derived from sulphide mineral sphalerite, which is non-conductive and non-magnetic. Within VMS environments, the ratio of copper to zinc can vary significantly. Typically, higher copper content leads to higher conductivities. Conversely, higher zinc content leads to lower conductivity. For these reasons, conductivity amplitude by itself is not a determinant factor in anomaly prioritisation. Anomaly selection criteria are based in decreasing order of importance by conductor isolation from long strike length regional conductors, followed by magnetic association, favourable geological horizons and conductivities.

In summary, a bedrock conductor reflecting the presence of a massive sulphide deposit would normally exhibit the following characteristics:

• moderate to high conductivity;
• good anomaly shape (narrow and well-defined peak);
• small to intermediate amplitude;
• isolated setting;
• short strike length (in general, not exceeding one kilometre); and preferably
• with a localized magnetic anomaly of matching dimensions.

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.

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

For the three months ended March 31, 2019, the Company incurred $228,361 (Q1/18 - $1,917,722) at the Brabant Lake property.

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 quarter ended March 31, 2019, the Company incurred $116,857 (2018 - $720) at the HPM property mainly on payments made to Pure Nickel Inc. to acquire their 50% interest in the HPM project in Québec.

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 three months ended March 31, 2019, the Company incurred a loss of $517,141 (Q1/18 - $1,631,100). The decrease of $1,113,959 is mainly related to the following factors: **1.** lower exploration expenses in Canada of $1,573,224 (Q1/19 - $345,218 vs Q1/18 - $1,918,442) as the Company completed a 12,431 metre drill program in Q1/18 and no drilling in Q1/19. However, in Q1/19, the Company carried an extensive airborne geophysical survey and acquired numerous additional claims at the Property and increased its interest in the HPM property to 100%; **2.** lower share-based payments of $184,205 (Q1/19 - $61,180 vs Q1/18 - $245,385) as the lower number of options granted in Q1/2019 translated into a lower estimated value for the options granted; **3.** lower management fees and salaries of $52,839 (Q1/19 - $70,505 vs Q1/18 - $123,344) related to $50,000 paid in bonuses in Q1/18, offset by; **4.** lower non-cash flow-through shares related income of $702,827 (Q1/19 - $41,667 vs Q1/18 - $744,494) as the Company recognized the income based on the lower level of exploration activities in Canada in Q1/19.

For the quarter ended March 31, 2019, exploration expenses totaled $345,218 (Q1/18 - $1,918,442) with $228,361 (Q1/18 - $1,917,722) related to airborne surveys and claim acquisition at the Property and $116,857 (Q1/18 - $823) related to payments made to Pure Nickel Inc. to acquire their 50% interest in the HPM project in Quebec.

SUMMARY OF QUARTERLY RESULTS

	First Quarter 2019	Fourth Quarter 2018	Third Quarter 2018	Second Quarter 2018
	$	$	$	$
Total Assets	948,668	1,339,466	1,830,107	2,023,442
Current Assets	945,740	1,337,356	1,827,179	2,019,567
Non-current Assets	2,928	2,110	2,928	3,875
Total Liabilities	180,029	179,866	247,462	283,988
Interest Income	2,628	4,607	5,475	5,335
Loss	517,141	516,683	156,809	286,004
Loss Per Share (1)	0.01	0.01	0.00	0.01

	First Quarter 2018	Fourth Quarter 2017	Third Quarter 2017	Second Quarter 2017
	$	$	$	$
Total Assets	2,972,594	4,439,525	1,088,054	1,264,424
Current Assets	2,968,676	4,434,186	1,082,241	1,258,470
Non-current Assets	3,918	5,339	5,813	5,684
Total Liabilities	947,136	1,028,352	96,624	141,247
Interest Income	9,653	2,751	1,820	1,827
Loss	1,631,100	253,719	131,747	84,011
Loss Per Share (1)	0.04	0.01	0.01	0.00
(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 Q1-2019, the Company completed an extensive airborne geophysical survey at the Brabant Lake property and on the newly acquired claims. It also acquired joint venture partner Pure Nickel's 50% interest in the HPM project in Québec. 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.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had no debt, cash of $891,882 and working capital (excluding flow-through share liability) of $765,711 (December 31, 2018 – $1,176,697 and $1,199,157, 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 March 31, 2019, the Company had amounts receivable and prepaid expenses totaling $53,858 which included sales tax receivable of $6,908 and prepaid expenses of $46,950 consisting mainly of prepaid conferences to be attended in Q2-2019.

The March 31, 2019, condensed interim 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.

Stock Options

During Q1-2019, the Company granted 665,000 stock options exercisable at $0.095 to its officers, directors and key consultants. The options are for a period of 5 years and vested immediately. During the same period, 638,900 stock options expired.

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

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:

Three months ended March 31,	2019	2018
Salaries and benefits	$ 70,505	$ 123,344
Share-based payments	59,340	211,185
	$ 129,845	**$ 344,529**

For the three month period ended March 31, 2019, the salaries and benefits amount above includes $30,500 (2018 - $55,844) for fees invoiced by a corporation controlled by the CFO of the Company for his services and $40,005 (2018 - $nil) for fees invoiced by the Interim CEO of the Company for his services as CEO. Also, $nil (2018 - $67,500) was included in the salaries and benefits amount above for fees invoiced by a corporation controlled by the former CEO of the Company. Included in accounts payable and accrued liabilities at March 31, 2019 is $21,199 (December 31, 2018 - $10,376) owed to the corporation controlled by the CFO and $20,237 (December 31, 2018 - $6,247) to the Interim CEO.

PROPOSED TRANSACTIONS

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

CHANGES IN ACCOUNTING POLICIES

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. At January 1, 2019, the Company adopted this standard and there was no material impact on the Company's condensed interim consolidated financial statement.

FINANCIAL INSTRUMENTS

	March 2019	December 2018
Financial assets:		
Amortized cost		
Cash	$ 891,882	$ 1,176,697
Amounts receivable	-	816
FVPL		
Investment	2,928	2,110
Financial liabilities:		
Amortized cost		
Accounts payable and accrued liabilities	$ 180,029	$ 138,199

As of March 31, 2019 and December 31, 2018, the fair value of all the Company's current financial instruments approximates the carrying value, due to their short-term nature.

Significant accounting judgments and estimates:
The preparation of condensed interim 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 condensed interim 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 quarter ended March 31, 2019 and the year ended December 31, 2018. The Company is not subject to any capital requirements imposed by a regulator or lending institution.

ADDITIONAL INFORMATION

Outstanding Shareholders' Equity Data
As of April 29, 2019, the following are outstanding:

•	Common Shares	44,709,881
•	Stock Options	3,528,900
•	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 the December 31, 2018 annual MD&A, 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.

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.