Management Discussion and Analysis
For the Year Ended December 31, 2018
Dated: April 17, 2019

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Introduction

The management's discussion and analysis ("MD&A" or "Report") of Fjordland Exploration Inc. (the "Company" or "Fjordland") has been prepared by management in accordance with the requirements under National Instrument 51-102 April 19, 2019 ("the Report Date") and provides comparative analysis of the Company's financial results for the year. The following information should be read in conjunction with the Company's audited financial statement for the year ended December 31, 2018 together with the notes thereto (collectively, the "Financial Statements"). Unless otherwise indicated, all dollar amounts in this document are in Canadian dollars.

The Financial Statements, together with this MD&A, are intended to provide investors with a reasonable basis for assessing the financial performance of the Company as well as potential future performance and are not necessarily indicative of the results that may be expected in future periods. The information in the MD&A may contain forward looking statements, and the Company cautions investors that any forward-looking statements by the Company are not guarantees of future performance, as they are subject to significant risks and uncertainties that may cause projected results or events to differ materially from actual results or events.

Factors that could cause actual results to differ materially from these forward-looking statements include market prices, exploration success, and continued availability of capital and general economic, market or business conditions.

This list is not exhaustive and these and other factors should be considered carefully; readers should not place undue reliance on the Company's forward-looking statements. As a result of the foregoing and other factors, no assurance can be given as to any such future results, levels of activity or achievements and neither the Company nor any other person assumes responsibility for the accuracy and completeness of these forward-looking statements. The Company disclaims any intention and assumes no obligation to update any forward-looking statement contained in this document, even if new information becomes available as a result of future events or for any other reason.

Additional information about the Company and the Company's activities, including the audited financial statements, and the notes thereto, for the year ended December 31, 2018, prepared in accordance with IFRS, can be found on SEDAR at [www.sedar.com.](http://www.sedar.com)

Business of the Company

Fjordland Exploration Inc. ("the Company") is an exploration stage company engaged in the acquisition and exploration of prospective mineral deposits primarily in Canada. The Company acquires properties directly by staking, through option agreements with prospectors or other exploration companies, and through reconnaissance programs. The Company trades as a Tier Two company on the TSX Venture Exchange ("Exchange") under the symbol "FEX" and is a reporting issuer in British Columbia and Alberta.

Highlights of Operations

Mineral properties

South Voisey's Bay, Labrador

On March 4, 2018, the Company announced that HPX BC Holdings Ltd ("HPX") advised that they will fund $1,200,000 on a proposed 2018 summer drill program. This funding is considered the initial pre-paid consideration against the opportunity to sole fund exploration and option payments. HPX has the option to incur, on behalf of the Company, $7,400,000 in exploration expenditures and to make $290,000 of property payments. If the funding is completed and the Company acquires a 100% interest in the South Voisey's Bay project, the Company has agreed to assign a 65% project interest to HPX.

On March 26, 2018, the Company signed a letter of intent with Vulcan Minerals Inc. ("Vulcan") granting the Company the option to acquire a 65% interest in certain mining claims located in the South Voisey's area, Labrador. Under the terms of the agreement, the Company has the option to pay to Vulcan $45,000 ($10,000 - paid) and incur $150,000 in exploration expenditures over a period of three years

On March 28, 2018 the Company signed a letter of intent with Unity Resources Inc. ("Unity") granting the Company the option to acquire a 65% interest in one mining claim located in the South Voisey's area, Labrador. Under the terms of the agreement, the Company has the option to pay to Unity $36,000 ($9,000 - paid) and incur $75,000 in exploration expenditures over a period of three years.

On July 24, 2018 the Company signed a Letter of Intent with a consortium of private claim holders. ("The Consortium") granting the Company the option to acquire a 100% interest in thirty-eight mining claims located in the South Voisey's area, Labrador. Under the terms of the agreement, the Company has the option to pay to The Consortium $110,000 and incur $120,000 in exploration expenditures over a period of three years. The Consortium retains a 3% net smelter return royalty that may be reduce to 1% by paying $600,000 for the first 1% reduction and $1,200.000 for the second 1% reduction.

The Company's 2018 exploration program was completed in August and comprised 1,253.2 metres of core drilling in 11 holes along with property wide geological mapping. The approved exploration budget for the 2018 program was $1,200,000. and was funded by HPX BC Holdings Ltd.

The 2018 drilling program was designed to test the role of structure in controlling magma emplacement, and sulphide accumulation. Several drill holes were selected to test conductive structures interpreted from reprocessing of historical geophysical data that occur close to structures interpreted from satellite images and geological mapping. Overall results were low with higher grades being associated with basal accumulations of sulphides over narrow thicknesses. The intersections comprise clots and semi-massive sulphide comprised primarily of pyrrhotite with minor pentlandite and chalcopyrite occurring at or near the base of gabbro sills.

Geological and structural mapping and property-wide prospecting programs were also completed during the 2018 field operation. Mapping was performed within key target areas to refine 2018 drill targets, as well as on a property wide scale to identify and constrain structures like those known to control emplacement of magmatic sulphides in the vicinity of the Voisey's Bay mine.

The geological information from drilling and preliminary mapping will guide the refinement of the intrusion history through classification and quantifying of gabbro breccias that will resolve magma pathways and high priority feeders. This work, to be completed this winter, will guide field programs in 2019.

Further information and results of the summer exploration program can be found on Sedar and the Company's website. www.fjordlandex.com

Milligan West, BC

The Company has a 43.7% interest in this project in partnership with the operator Serengeti Resources Ltd.

The 2017 exploration program, which included IP surveys and drilling, added significantly to the understanding of local geology.

The Company expects the operator to submit a proposed exploration program and budget in the near future.

Selected Annual Information

The Company's selected annual information for the years ended December 31, 2018, 2017 and 2016 are as follows:

	2018 ($)	2017 ($)	2016 ($)
General and administration expenses	(639,101)	(540,532)	(159,202)
Loss for the year	(861,882)	(545,003)	(442,863)
Basic and diluted loss per share	(0.02)	(0.02)	(0.02)
Cash dividends per share	-	-	-
Other comprehensive income (loss)	-	-	-
Assets	2,571,278	3,129,780	610,382
Long-term liabilities	-	-	-

The 2018 loss of $861,882 was primarily the result of $226,486 written down on the mineral properties compared to 2017 with $50,961 written down.

Summary of Quarterly Results

	Mar 31 2017 Q1	Jun 30 2017 Q2	Sep 30 2017 Q3	Dec 31 2017 Q4	Mar 31 2018 Q1	Jun 30 2018 Q2	Sep 30 2018 Q3	Dec 31 2018 Q4
Mineral property costs deferred, net	-	26,265	442,935	902,631	97,133	(114,045)	148,500	(245,246)
G&A (incl. share-based compensation)	(30,288)	(74,864)	(187,731)	(247,649)	(103,334)	(333,802)	(134,782)	(67,183)
Share-based compensation expense	-	35,491	122,007	174,089	52,049	285,114	97,846	5,147
Adjusted G&A (less share-based comp)	(30,288)	(39,373)	(65,724)	(73,560)	(51,285)	(48,688)	(36,936)	(62,039)
Net loss	(35,220)	(79,850)	(189,197)	(240,736)	(102,945)	(333,802)	(132,181)	(292,954)
Loss per share – basic and diluted	(0.00)	(0.00)	0.00	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)
Weighted average common shares outstanding - basic	20,756,383	20,756,383	25,740,995	47,193,774	47,213,339	47,213,339	47,213,339	47,337,312

Results of Operations

For the three months ended December 31, 2018 and 2017

The Company's cash position decreased from $1,029,097 on December 31, 2017 to $800,082 on December 31, 2018 cash was used to fund operating and exploration activities.

The Company incurred total general and administrative expenses of $67,183 (2017 - $247,649) Included in general and administrative expenses is a non-cash expense of $5,147 for share-based compensation (2017 - $174,649). Share-based compensation is a non-cash item resulting from the application of the Black-Scholes Option Pricing Model using assumptions in respect of expected dividend yield average risk-free interest rates, expected life of the option and expected volatility. After deducting this non-cash item, expenses were $62,036 for the quarter (2017 - $73,560), representing an decrease of $11,524.

During the quarter, the Company incurred $5,475 (2017 - $22,256) in respect of marketing information.

Accounting and audit $36,500 (2017 - $31,000), these numbers reflect the accrual of audit fees.

During the quarter, the Company wrote-down $226,486 (2017 - $50,961), related to the South Voisey's Bay and the Milligan West properties.

For the years ended December 31, 2018 and 2017

Results of operations for the year ended December 31, 2018 are discussed in comparison with the year ended December 31, 2017. General and administrative expenses of $639,101 (2017 - $540,532) represents a $98,569 increase compared to the comparative year. Notable changes include:

The $99,774 (2017 - $84,190) in deposits at year ended December 31, 2018, consists of $3,910 rent deposit and $95,864 of exploration deposits

In 2017, the Company paid the principal of $200,000 and interest of $18,301 on the outstanding loans.

Significant items included in the current results of operation are as follows:

		2018		2017
Accounting and audit	$	69,250	$	58,280
Administration fees	$	36,000	$	36,000
Filing fees	$	10,506	$	12,497
Office	$	6,980	$	9,186
Rent	$	22,019	$	19,292
Transfer agent	$	5,167	$	12,287

Total share-based compensation on options granted, and vested during the year ended December 31, 2018, resulted in $440,156 (2017 - $331,587) being expensed. Share-based compensation is a non-cash transaction.

Marketing expense was $42,742 (2017 - $43,575). A breakdown is provided below:

		December 31, 2018		December 31, 2017
Consulting	$	18,000	$	25,167
Conferences		-		1,541
Printing		1,179		-
Promotional		396		8,435
Media		23,167		8,432
	$	42,742	$	43,575

Comprehensive loss for the year ended December 31, 2018 is $861,882 (2017 - $545,003), which includes financing expenses and interest on loans payable of $Nil (2017 - $14,960) and mineral properties written-down of $226,486 (2017 - $50,961).

Exploration expenditures during the year ended December 31, 2018 were $1,358,176 (2017- $1,422,792), which consisted of $96,500 (2017 - $42,015) in acquisition costs and $1,261,676 (2017 - $1,380,777) in exploration costs.

During the year ended December 31, 2018 the Company, issued 250,000 shares (2017 – 200,000) valued at $47,500 (2017 - $19,000) relating to exploration properties.

Liquidity

The Company ensures that there is sufficient capital in order to meet annual business requirements, after taking into account administrative, property holding and exploration budgets. As the Company does not have operating cash flow, the Company has relied primarily on equity financings to meet its capital requirements.

The Company is in the exploration stage and commodity prices are not reflected in operating financial results. However, fluctuations in commodity prices may influence financial markets and may indirectly affect the Company.

As at December 31, 2018 the Company had a cash position of $800,082 and working capital of $792,176 compared to a cash position of $1,029,097 and working capital of $967,254 at December 31, 2017.

Management believes it will be able to raise equity capital as required in the long term, but recognizes the risks attached thereto. The Company continues to use various strategies to minimize its dependence on equity capital, including the securing of joint venture partners where appropriate.

Capital Management

The Company considers its capital structure to be shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. As an exploration stage company, the Company is unable to finance its operations from cash flow and has relied primarily on equity financings to meet its capital requirements.

Although the Company has been successful in the past in obtaining financing through the sale of equity securities, there can be no assurance that the Company will be able to obtain adequate financing in the future, or that the terms of such financings will be favorable.

The Company's share capital is not subject to any external restriction and the Company did not change its approach to capital management during the period.

Financing Activities

On July 4, 2018, the Company issued 250,000 common shares, with a fair value of $47,500 or $0.19 per share as consideration towards the acquisition of mineral property.

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet financial arrangements.

Related Party Transactions

The Company entered into the following transactions with related parties:

Compensation of key management personnel

Key management personnel consist of the directors and executive officers of the Company. The remuneration, including share-based compensation, of key management person during the years ended December 31, 2018 and 2017 were as follows:

	2018	2017
Corporate secretary (Janice Davies)	$ 36,000	$ 36,000
CFO (Patricia Tanaka)	36,000	36,000
Share-based compensation	275,353	179,747
	$ 347,353	$ 251,747

Proposed Transactions

None

Risks and Uncertainties Related to the Company's Business

Resource exploration is a speculative business and involves a high degree of risk. There is a significant probability that the expenditures made by the Company in exploring its properties will not result in discoveries of commercial quantities of minerals. A high level of ongoing expenditures is required to locate and estimate ore reserves, which are the basis for further development of a property. Capital expenditures to attain commercial production stage are also very substantial. The following sets out the principal risks faced by the Company.

(a) Exploration

The Company is seeking mineral deposits on exploration projects where there are not yet established commercial quantities. There can be no assurance that economic concentrations of minerals will be determined to exist on the Company's property holdings within existing investors' investment horizons or at all. The failure to establish such economic concentrations could have a material adverse outcome on the Company and its securities. The Company's planned programs and budgets for exploration work are subject to revision at any time to take into account results to date. The revision, reduction or curtailment of exploration programs and budgets could have a material adverse outcome on the Company and its securities.

(b) Market

The Company's securities trade on public markets and the trading value thereof is determined by the evaluations, perceptions and sentiments of both individual investors and the investment community taken as a whole. Such evaluations, perceptions and sentiments are subject to change; both in short term time horizons and longer term time horizons. An adverse change in investor evaluations, perceptions and sentiments could have a material adverse outcome on the Company and its securities.

(c) Commodity Price

The Company's exploration projects are primarily related to exploration for gold and other precious metals in British Columbia, Canada. While these minerals have recently been the subject of significant price increases from levels prevalent earlier in the decade, there can be no assurance that such price levels will continue, or that investors' evaluations, perceptions, beliefs and sentiments will continue to favour these target commodities. An adverse change in these commodities' prices, or in investors' beliefs about trends in those prices, could have a material adverse outcome on the Company and its securities.

(d) Title

Although the Company has exercised the usual due diligence with respect to title to properties in which it has interests, there is no guarantee that title to the properties will not be challenged or impugned. The Company's mineral property interests may be subject to prior unregistered agreements or transfers or land claims, and title may be affected by undetected defects.

(e) Financing

Exploration and development of mineral deposits is an expensive process, and frequently the greater the level of interim stage success the more expensive it can become. The Company has no producing properties and generates no operating revenues; therefore, for the foreseeable future, it will be dependent upon selling equity in the capital markets to provide financing for its continuing substantial exploration budgets. While the Company has been successful in obtaining financing from the capital markets for its projects in recent years, there can be no assurance that the capital markets will remain favourable in the future, and/or that the Company will be able to raise the financing needed to continue its exploration programs on favourable terms, or at all. Restrictions on the Company's ability to finance could have a material adverse outcome on the Company and its securities.

(f) Share Price Volatility and Price Fluctuations

In recent years, the securities markets in Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies, particularly junior mineral exploration companies like the Company, have experienced wide fluctuations which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that these price fluctuations and volatility will not continue to occur.

(g) Key Personnel

The Company's exploration efforts are dependent to a large degree on the skills and experience of certain of its key personnel. The Company does not maintain "key man" insurance policies on these individuals. Should the availability of these persons' skills and experience be in any way reduced or curtailed, this could have a material adverse outcome on the Company and its securities.

(h) Competition

Significant and increasing competition exists for the limited number of mineral property acquisition opportunities available. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than the Company, the Company may be unable to acquire additional attractive mineral properties on terms it considers acceptable.

(i) Realization of Assets

Exploration and evaluation assets comprise a substantial portion of the Company's assets. Realization of the Company's investment in these assets is dependent upon the establishment of legal ownership, the attainment of successful production from the properties or from the proceeds of their disposal. Resource exploration and development is highly speculative and involves inherent risks. While the rewards if an ore body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of ore. The amounts shown for acquisition costs and deferred exploration expenditures represent costs incurred to date and do not necessarily reflect present or future values.

(j) Environmental and Other Regulatory Requirements

The current or future operations of the Company, including development activities and commencement of production on its properties, require permits from various governmental authorities and such operations are and will be subject to laws and regulations. There can be no assurance that approvals and permits required to commence production on its properties will be obtained on a timely basis, or at all. Additional permits and studies, which may include environmental impact studies conducted before permits can be obtained, may be necessary prior to operation of the properties in which the Company has interests and there can be no assurance that the Company will be able to obtain or maintain all necessary permits.

(k) History of Net Losses; Accumulated Deficit; Lack of Revenue from Operations

The Company has incurred net losses to date. The Company has not yet had any revenue from the exploration activities on its properties. Even if the Company commences development of certain of its properties, the Company may continue to incur losses. There is no certainty that the Company will produce revenue, operate profitably or provide a return on investment in the future.

(l) Uninsurable

The Company and its subsidiary may become subject to liability for pollution, fire, explosion and other risks against which it cannot insure or against which it may elect not to insure. Such events could result in substantial damage to property and personal injury. The payment of any such liabilities may have a material, adverse effect on the Company's financial position.

(m) Legal Proceedings

As at the date of the Report, there were no legal proceedings against or by the Company.

(n) Critical Accounting Estimates

The most significant accounting estimates for the Company relates to the carrying value of its mineral property exploration and evaluation assets. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments or the Company’s assessment of its ability to sell the property for an amount exceeding the deferred costs, a provision is made for the impairment in value.

Management’s estimates of exploration, operating, capital and reclamation costs are subject to certain risks and uncertainties which may affect the recoverability of mineral property costs. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management’s estimate of the net cash flow to be generated from its properties.

Another significant accounting estimate relates to accounting for share-based compensation and derivative instruments. The Company uses the Black-Scholes Option Pricing Model to estimate the fair value of share-based compensation and warrants. Option pricing models require the input of highly subjective assumptions including the expected price volatility. Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore the existing models do not necessarily provide a reliable single measure of the fair value of the Company’s stock options granted/vested during the period.

(o) Financial Instruments and other Instruments

The Company's financial assets consist of cash and deposits for reclamation, receivables, accounts payable and accrued liabilities. No amounts are invested other than in chartered bank term deposits. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or credit risks arising from the financial instruments. The carrying value of these financial instruments approximates their fair value due to their short-term maturity or capacity of prompt liquidation.

On January 1, 2018, the Company adopted IFRS 9, which replaced *IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"*), on a retrospective basis using certain available transitional provisions. In accordance with the transitional provisions, the comparative information for prior periods have not been restated and the information presented for 2017 reflects the requirements of IAS 39 rather than IFRS 9.

The nature and effect of the changes to IFRS 9 are as follows:

Financial instrument classification and measurement

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. The adoption of IFRS 9 did not have a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments.

IFRS 9 provides a revised model for the classification and measurement of financial assets that eliminates the previous categories of financial assets under IAS 39 of "available-for-sale", "held-to-maturity", or "loans and receivables." Under IFRS 9, on initial recognition, a financial asset is classified as and measured at: amortized cost, fair value through profit or loss ("FVTPL"), or fair value through other comprehensive income ("FVOCI"). The revised model for classifying financial assets results in classification according to their contractual cash flow characteristics and the business models under which they are held.

On initial recognition of an equity investment that is not held for trading, an irrevocable election is available to measure the investment at FVOCI whereby changes in the investment's fair value (realized and unrealized) will be recognized permanently in OCI with no reclassification to profit or loss. The election is available on an investment-by-investment basis.

Financial liabilities are designated as either fair value through profit or loss, or amortized cost. All financial liabilities are classified and subsequently measured at amortized cost except for financial liabilities at FVTPL. The classification determines the method by which the financial liabilities are carried on the consolidated statement of financial position subsequent to inception and how changes in value are recorded.

The following table summarizes the impact of transition from IAS 39 to IFRS 9:

Measurement Category			
Asset/Liability	**Original (IAS 39)**	**New (IFRS 9)**	**Subsequent measurement**
Cash	FVTPL	FVTPL	FVTPL
Receivables	Loans and receivables	Amortized cost	Amortized cost
Deposits	Held to maturity	Amortized cost	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost	Amortized cost

New Standards Not Yet Adopted

The Company has not yet adopted the following new standard and interpretations issued by the IASB or International Financial Reporting Interpretation Committee ("IFRIC"):

IFRS 16 Leases

IFRS 16 was issued in January 2016 and replaces IAS 17. The standard requires lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. The Company expects the standard will increase assets and related liabilities and increase disclosure.

Management Responsibility

Management is responsible for the preparation and integrity of the financial statements, including the maintenance of appropriate information systems, procedures and internal controls. Management is also responsible for ensuring that information disclosed externally, including the financial statements and this Management Discussion and Analysis, is complete and reliable.

Other MD&A Requirements

Additional information relating to the Company is available on SEDAR at www.sedar.com.

As of the Report Date, the Company had 47,463,339 issued common shares outstanding and the following unexercised stock options and warrants:

Stock Options

Expiry Date	Exercise Price	Number of Options
September 16, 2019	$0.25	919,000
September 12, 2022	$0.55	966,000
June 28, 2023	$0.165	1,375,000
		3,260,000

CORPORATE INFORMATION

DIRECTORS AND OFFICERS

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President, C.E.O and Director

G. Ross McDonald, C.A.
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Peter Krag-Hansen
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Victor A. Tanaka
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Patricia Tanaka
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Janice Davies
Corporate Secretary

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SHARE LISTING

TSX Venture Exchange
Symbol: FEX

CAPITALIZATION AT DECEMBER 31, 2018

Shares Authorized: Unlimited
Shares Issued and Outstanding 47,463,339