



**Management Discussion and Analysis  
For the Three Months Ended March 31, 2018  
Dated: April 20, 2018**

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# FJORDLAND EXPLORATION INC.

## Management Discussion and Analysis For the Three Months Ended March 31, 2018

Form 51-102F1

### Overview and Introductions

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.

The Management Discussion and Analysis is dated April 20, 2018 and discloses specified information up to that date. Unless otherwise noted, all currency amounts are expressed in Canadian dollars. The following information should be read in conjunction with the Company's audited financial statement for the year ended December 31, 2017 and the Company's condensed interim financial statement for the three months ended March 31, 2018 together with the related notes thereto.

Additional information relevant to the Company and the Company's activities, including the audited financial statements, and the notes thereto, for the year ended December 31, 2017, prepared in accordance with IFRS, can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and/or on the Company's website at [www.fjordlandex.com](http://www.fjordlandex.com).

### Major Interim Period Operating Milestones

#### South Voisey's Bay, Labrador

On March 4, 2018, the Company announced that HPX BC Holdings Inc ("HPX") has 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 30 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 (paid \$10,000) and incur \$150,000 in exploration expenditures over a period of three years. If the option is exercised a joint venture will be formed whereby Vulcan will be carried for 100% of its joint venture expenditures on the claims until Fjordland either earns its full interest from Commander Resources Ltd. ("Commander") on surrounding contiguous lands or by expending a minimum expenditure of \$7 million on those lands.

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 and incur \$75,000 in exploration expenditures over a period of three years. If the option is exercised a joint venture will be formed whereby Unity will be carried for 100% of its joint venture expenditures on the claims until Fjordland either earns its full interest from Commander Resources Ltd. ("Commander") on surrounding contiguous lands or by expending a minimum expenditure of \$7 million on those lands.

#### 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 2018 exploration program and budget in the near future.

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### Interim Period Financial Position

#### (a) Summary of Quarterly Results

	Jun 30 2016 Q2	Sep 30 2016 Q3	Dec 31 2016 Q4	Mar 31 2017 Q1	Jun 30 2017 Q2	Sep 30 2017 Q3	Dec 31 2017 Q4	Mar 31 2018 Q4
Mineral property costs deferred, net	264,634	100	(233,758)	-	26,265	442,935	902,631	97,133
G&A (incl. share-based compensation)	(35,951)	(39,838)	(47,847)	(30,288)	(74,864)	(187,731)	(247,649)	(103,334)
Share-based compensation expense	-	5,958	(3,714)	-	35,491	122,007	174,089	52,285
Adjusted G&A (less share-based comp)	(35,951)	(33,880)	(57,703)	(30,288)	(39,373)	(65,724)	(73,560)	(102,994)
Net loss	(48,494)	(46,066)	(297,888)	(35,220)	(79,850)	(189,197)	(240,736)	(102,994)
Loss per share – basic and diluted	(0.00)	(0.00)	0.00	(0.00)	(0.00)	(0.00)	(0.01)	(0.00)
Weighted average common shares outstanding - basic	19,246,369	20,224,009	20,756,383	20,756,383	20,756,383	25,740,995	47,193,774	47,213,339

#### (b) Operations

For the three months ended March 31, 2018 compared with the three months ended March 31, 2017

The Company incurred total general and administrative expenses of \$103,334 (2017 - \$30,288).

Total share-based compensation on options granted and vested during the period ended March 31, 2018 resulted in \$52,049 (2017 - \$Nil) being expensed. Share-based compensation is a non-cash transaction.

Comprehensive loss for the period ended March 31, 2018 is \$102,944 (2017 - \$35,220).

Exploration expenditures during the period ended March 31, 2018 were \$97,133 (2017 - \$Nil), which consisted of \$10,000 (2017 - \$Nil) in acquisition costs and \$87,133 (2017 - \$Nil) in exploration costs.

#### (c) Liquidity

As at March 31, 2018 the Company had a cash position of \$702,137 and working capital of \$819,302 compared to a cash position of \$1,029,097 and working capital of \$967,254 at December 31, 2017. The decrease in cash position of \$326,960 was used to fund operating and exploration activities.

#### (d) 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.

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### (e) Financing Activities

None

### Related Party Transactions

During the quarter, there were no significant transactions between related parties.

### Commitments, Expected or Unexpected, or Uncertainties

As of the date of this Management Discussion and Analysis, the Company had no outstanding commitments

Other than disclosed in this Management Discussion and Analysis - Quarterly Highlights, the Company does not have any commitments or uncertainties

### Risks Factors

In our Management Discussion and Analysis filed on SEDAR March 21, 2018 in connection with our annual financial statements (the "Annual MD&A"), we have set out our discussion of the risk factors which we believe are the most significant risks faced by the Company. An adverse development in any one risk factor or any combination of risk factors could result in material adverse outcomes to the Company's undertakings and to the interests of stakeholders in the Company including investors. Readers are cautioned to take into account the risk factors to which the Company and its operations are exposed. To the date of this document, there have been no significant changes to the risk factors set out in our Annual MD&A.

### Disclosure of Outstanding Share Data

As of the Report Date, the Company had 47,213,339 issued common shares outstanding and the following unexercised stock options and warrants:

	Issued and Outstanding	
	March 31, 2018	April 20, 2018
Common shares outstanding	47,213,339	47,213,339
Stock Options	3,155,000	3,155,000
Warrants	12,358,000	12,358,000
<u>Fully diluted common shares outstanding</u>	<u>51,604,139</u>	<u>51,604,139</u>

### Qualified Person

Victor A. Tanaka, P.Geol. is the Company's qualified persons reviewing the exploration projects described throughout the MD&A.

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### Cautionary Statement

*This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration results and plans, and our other future plans and objectives, are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, our estimates of exploration investment, the scope of our exploration programs, and our expectations of ongoing administrative costs. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from our expectations and disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date the statements are made, and we do not undertake any obligation to update forward-looking statements should conditions or our estimates or opinions change, except as required by law. Forward-looking statements are subject to risks, uncertainties, and other factors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks. Readers are cautioned not to place undue reliance for forward-looking statements.*

## **CORPORATE INFORMATION**

### **DIRECTORS AND OFFICERS**

Richard C. Atkinson, P.Eng.  
President, C.E.O and Director

G. Ross McDonald, C.A.  
Director

Peter Krag-Hansen  
Director

Victor A. Tanaka, P.Geo.  
Director

Patricia Tanaka  
CFO

Janice Davies  
Corporate Secretary

### **EXECUTIVE OFFICE**

Fjordland Exploration Inc.  
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### **INTERNET**

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### **AUDITORS**

Davidson & Company LLP  
Chartered Professional Accountants  
1200 - 609 Granville Street  
Vancouver, British Columbia V7Y 1G6

### **LEGAL COUNSEL AND REGISTERED OFFICE**

Armstrong Simpson  
Barristers & Solicitors  
Suite 2080, 777 Hornby Street  
Vancouver, British Columbia V6Z 1S4

### **REGISTRAR AND TRANSFER AGENT**

Computershare Trust Company of Canada  
3rd Floor, 510 Burrard Street  
Vancouver, British Columbia V6C 3B9

### **SHARE LISTING**

TSX Venture Exchange  
Symbol: FEX

### **CAPITALIZATION AT MARCH 31, 2018**

Shares Authorized: Unlimited  
Shares Issued and Outstanding 47,213,339