



INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Highlights

Three and Nine Months ended November 30, 2017

SPHINX RESOURCES LTD.

Management's Discussion and Analysis – Quarterly Highlights

Three and Nine Months ended November 30, 2017

This Management's Discussion and Analysis – Quarterly Highlights ("MD&A Highlights") of the financial position and results of operations reviews the activities, results of operations and financial position of Sphinx Resources Ltd. ("Sphinx" or the "Corporation") for the three and nine month periods ended November 30, 2017 ("Q3-18" and "YTD Q3-18", respectively), together with certain trends and factors that are expected to have an impact in the future. This MD&A Highlights should be read in conjunction with the Corporation's condensed interim financial statements as at November 30, 2017 prepared in accordance with the International Financial Reporting Standards ("IFRS"), as well as with the management discussion and analysis for the year ended February 28, 2017 ("Fiscal 2017"). All dollar amounts are expressed in Canadian dollars, the functional currency of the Corporation, unless otherwise stated.

Further information regarding the Corporation and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be found on www.sedar.com.

The following abbreviations are used to describe the periods under review throughout this MD&A Highlights:

Abbreviation	Period
Q1-17	March 1, 2016 – May 31, 2016
Q2-17	June 1, 2016– August 31, 2016
Q3-17	September 1, 2016 – November 30, 2016
YTD Q3-17	March 1, 2016 – November 30, 2016
Q4-17	December 1, 2016 - February 28, 2017
Fiscal 2017	March 1, 2016 – February 28, 2017
Q1-18	March 1, 2017 – May 31, 2017
Q2-18	June 1, 2017– August 31, 2017
Q3-18	September 1, 2017 – November 30, 2017
YTD Q3-18	March 1, 2017 – November 30, 2017
Fiscal 2018	March 1, 2017 – February 28, 2018

The technical information contained in this MD&A Highlights has been reviewed and verified by Sphinx's President and Chief Executive Officer, Normand Champigny (ing., B.A.Sc., M.A.Sc.), who is a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

1. NATURE OF ACTIVITIES

Sphinx was incorporated on June 28, 2005 and is governed by the *Canada Business Corporations Act*. The Corporation is a reporting issuer in Alberta, British Columbia, Ontario and Québec and its shares are listed on the TSX Venture Exchange (the "Exchange") under the symbol SFX. The Corporation is engaged in the acquisition, exploration and development of mineral projects in Québec, Canada.

2. OVERVIEW OF THE CORPORATION

2.1 Strategy

Sphinx's strategy is to generate or acquire quality projects with good social acceptability, low cost exploration by ensuring year-round ground access, and a focus on high grade zinc and precious metals. Sphinx will maintain a diverse portfolio of projects with various levels of advancement in different high grade metamorphic terranes, which have been often overlooked for their zinc and precious metals potential. To execute on this strategy, the Corporation relies on a team of recognized mine finders with significant experience in exploration project generation. Sphinx will concentrate first on Quebec, with potential expansion into other Canadian provinces.

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2. OVERALL PERFORMANCE (CONT'D)

To support this strategy Sphinx has formed two partnerships:

- with Sirios Resources Inc. ("Sirios") on the Cheechoo-Eleonore Trend gold project in the Eeyou Istchee James Bay territory; and
- with SOQUEM, a subsidiary of Ressources Québec and a leading player in mineral exploration in Québec, on the Calumet-Sud zinc project.

2.2 Working capital

As of November 30, 2017, the Corporation has a working capital of \$669,384 (\$1,645,145 as at February 28, 2017), of which \$151,548 must be dedicated to exploration work according to the restriction imposed by the November 1, 2017 flow-through financing. The Corporation has sufficient funds to complete the announced and planned exploration programs on its projects.

3. EXPLORATION PROJECTS

For mineral exploration projects that have not reached technical feasibility, exploration and evaluation expenditures are charged to operations as they are incurred. The Corporation's exploration and evaluation expenditures incurred are as follows:

	Q3-18	Q3-17	YTD Q3-18	YTD Q3-17
	\$	\$	\$	\$
Calumet-Sud				
Project acquisition and maintenance	525	-	525	94
Shares issued	-	-	128,077	76,923
Option payment received	-	-	-	(7,000)
Drilling	3,104	-	6,454	-
Trenching	30,852	-	30,852	-
Geology	96,879	(1,000)	108,580	203
Geophysics	-	-	-	-
Geochemistry	23,441	-	56,938	-
Recharge to partner	(75,522)	-	(101,553)	-
Tax credits	(23,653)	337	(31,255)	(69)
	55,626	(663)	198,618	70,151
Tessouat				
Project acquisition and maintenance	26,000	-	26,000	-
Shares issued	5,500	-	5,500	-
Geology	4,309	-	4,981	-
Geochemistry	-	-	9,849	-
Tax credits	(1,330)	-	(4,882)	-
	34,479	-	41,448	-
Tessouat-Sud				
Project acquisition and maintenance	-	-	19,346	-
Geology	3,693	-	3,693	-
Tax credits	(834)	-	(834)	-
	2,859	-	22,205	-
Obwondiag				
Project acquisition and maintenance	-	-	6,418	-
Geology	-	-	219	-
Tax credits	(68)	-	(68)	-
	(68)	-	6,569	-

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3. EXPLORATION PROJECTS (CONT'D)

	Q3-18	Q3-17	YTD Q2-18	YTD Q2-17
	\$	\$	\$	\$
GPd				
Project acquisition and maintenance	641	4,760	922	8,240
Drilling	16,783	-	156,494	-
Geology	4,241	33,896	55,770	65,894
Geophysics	-	-	24,952	36,655
Geochemistry	2,184	325	11,034	325
Tax credits	(574)	(11,554)	(76,622)	(34,729)
	23,275	27,427	172,550	76,385
Cheechoo-Éléonore Trend				
Project acquisition and maintenance	-	-	-	38,569
Geology	30,319	46,745	202,097	51,688
Geochemistry	-	-	38,847	-
Recharge to partner	(338)	-	(50,303)	-
Tax credits	(12,754)	(20,893)	(82,882)	(22,562)
	17,227	25,852	107,759	67,695
Chemin Troilus				
Project acquisition and maintenance	-	636	1,632	38,370
Shares issued	-	-	-	30,000
Drilling	-	-	108,775	-
Geology	6,700	23,185	91,834	40,568
Geophysics	1,700	-	30,400	-
Line cutting	-	-	12,259	-
Geochemistry	3,783	-	54,050	-
Tax credits	(4,799)	(11,840)	(129,260)	(17,708)
	7,384	11,981	169,690	91,230
Somanike				
Project acquisition and maintenance	4,086	668	5,116	3,670
Drilling	-	-	-	-
Geology	62	9,886	4,403	51,001
Geophysics	-	-	-	-
Geochemistry	-	-	-	-
Tax credits	106	(3,336)	(1,359)	(17,219)
	4,254	7,218	8,160	37,452
Generation				
Property acquisition	560	-	560	-
Geology	500	2,437	2,500	4,937
Tax credits	(97)	(822)	(772)	(1,666)
	963	1,615	2,288	3,271
Total exploration and evaluation expenditures	145,999	73,430	729,287	346,184

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3. EXPLORATION PROJECTS (CONT'D)

Ziac District

The “Ziac” (abbreviation for “zinc-Pontiac”) zinc district is an emerging zinc play, 40-km long northwest trending corridor defined by zinc-bearing dolomitic marbles typical of the Balmat-Edwards-Pierrepoint zinc district, located in the state of New York, United States. The Ziac district also covers meta-volcanic rocks that host the historic the mine of New Calumet Mines Limited (the “New Calumet mine”) zinc-lead-silver-gold mine, which produced 3.8 million tonnes of ore at a grade of 5.8% Zn, 1.6% Pb, 65 g/t Ag et 0.4 g/t Au from 1944 to 1968. The Ziac district includes:

- the Calumet-Sud project currently being explored by Sphinx and its 50% partner SOQUEM (21 claims, 12 km²);
- the Tessouat project (22 claims, 13 km²);
- the Tessouat-Sud project (296 claims, 177 km²);
- the Obwondiag project (96 claims, 53 km²); and
- the GPd platinum group elements (“PGE”) project (74 claims, 41 km²) on which newly identified zinc potential has been confirmed.

3.1 Calumet-Sud zinc project

a) Project description

The project consists of 21 claims (12 km²) located in the Pontiac regional county municipality in southwestern Québec. SOQUEM, a subsidiary of Ressources Québec and a leading player in mineral exploration in Québec, has acquired an undivided 50% interest in the project on September 22, 2017 and a joint venture has been created between Sphinx and SOQUEM. Sphinx is the manager of the joint venture. The project is immediately adjacent to Sphinx's owned 100% GPd project and adjacent and south of the former New Calumet mine. In the 1980s, Lacana Mining Ltd. discovered significant gold mineralization immediately below the underground workings of the former mine. The project is part of the larger Ziac district.

The Calumet-Sud project was acquired in 2015 from Gardin Inc. (“Gardin”) (a company controlled by Michel Gauthier, a director of the Corporation). In July 2017, the Corporation issued 2,842,231 common shares to Gardin (valued at \$128,077) as per the agreement with Gardin.

b) Exploration work on the project

The exploration activities carried out to date have consisted of:

- helicopter-borne magnetic, spectrometer and electromagnetic surveys;
- ground induced polarization and gravimetric surveys;
- prospecting;
- soil geochemical sampling (1,924 soil samples, B horizon);
- diamond drilling (13 holes, 1,098 m) over a surface area of 1.5 km²; and
- stripping and channel sampling (in 2017, 2 areas, 3,085 m², 121 samples).

High grade zinc intervals were returned from dolomitic marble rocks within four (4) newly interpreted horizons. These horizons are defined by strongly anomalous zinc values and the presence of massive sphalerite bands ranging from one centimeter to several centimeters in thickness, as well as both stringer and disseminated sphalerite. The best interval intersected was from drillhole 1400-17-03 that returned 4.11% zinc over 3.0 m drilled width (2.93 m true width) from 12.0 to 15.0 m in the Sonny horizon. Work currently underway includes stripping, geological mapping and channel sampling. The objective of the work is to perform a rigorous targeting followed by a new drilling campaign.

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3. EXPLORATION PROJECTS (CONT'D)

In November, 2017, the Corporation reported the discovery of extensive surface zinc mineralization as part of a stripping program. Channel sample composite 17-04 assayed 2.37% Zn over 20.3 m, sample composite 17-06 6.0 m at 3.23% Zn, and sample composite 17-05 4 m at 3.34% Zn. Geological mapping of the stripped areas confirmed the stratiform and continuous nature of the zinc mineralization hosted in dolomitic marble rocks.

The potential to extend the mineralization along strike of the mineralized horizons is considered excellent in both directions and is supported primarily by a SW-NE to NW-SE trend of very strong anomalous zinc values in soils. On the basis of the work performed to date a drilling program is scheduled to start in January 2018. The program aims to identify at depth and extend along strike the mineralization discovered by stripping on the Sonny and Sonny West zones.

3.2 Tessouat project

a) Project description

The project is located 5 km northeast of the municipality of Waltham in the Pontiac regional county municipality in southwestern Québec, at the northern end the Ziac district. Excellent road access throughout the year is available. On August 1, 2017, the Corporation entered into an agreement with Resources Tranchemontagne Inc. ("Tranchemontagne", a company controlled by Michel Gauthier, a director of the Corporation) and Gardin to acquire a 100% undivided interest in 22 claims (13 km²), held by Tranchemontagne. Under the terms of this agreement, Sphinx acquired the project for a consideration that consists of: a payment of \$26,000 (completed in September 2017); the issuance of 100,000 common shares of Sphinx (valued at \$5,500, completed in September 2017); carrying out exploration work totaling \$70,000 over a period of two years with work completed prior to August 1st, 2019; and the grant of a net smelter return ("NSR") of 2% to Gardin. On September 25, 2017, a definitive agreement has been executed between Gardin and the Corporation.

b) Exploration work on the project

Sphinx carried out an exploration program that was completed in early fall 2017. The program consisted of soil sampling aimed to identify the most prospective areas and define drill targets in this high grade metamorphic environment. In October 2017, the Corporation announced that strong zinc anomalies, with values up to 5,650 ppm zinc and 271 ppm lead, have been identified. These results defined anomalous zinc and lead values over an area of about 400 m by 400 m, located in the central portion of the project.

Sphinx is designing a follow-up trenching and rock sampling program to be executed during the spring of 2018. The program will aim to investigate the most prospective areas and to define drill targets in this high grade metamorphic environment.

3.3 GPd project

a) Project description

The project consists of 74 claims (41 km²) located in the Pontiac regional county municipality in southwestern Quebec. The Corporation must satisfy the following exploration commitments as per the March 12, 2015 definitive agreement, as amended on January 19, 2018, failing which the project will be returned to Gardin:

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3. EXPLORATION PROJECTS (CONT'D)

	Work	
	Commitment	Completed
	\$	\$
On or before January 20, 2016	50,000	50,000
On or before January 20, 2017	100,000	100,000
On or before January 20, 2019	600,000	586,122
Total	750,000	736,122

b) Exploration work on the project

In 2015, Sphinx carried out IP, electromagnetic and magnetic ground surveys on the project that significantly improved the understanding of the geology and related mineralization. The surveys were followed by diamond drilling on priority geophysical targets outlined in the vicinity of the Pd-Cu-rich 1958 blasted test pit. Drill hole assay results from the 2015 and 2017 drilling campaigns (19 holes totaling 1,931 m) support the extension of the stratabound PGE reef over a distance of 800 metres. The reef remains open in all directions. Regional compilation suggests an interpreted surface expression of the target horizon over an estimated 11 kilometres. The mineralized reef, returned 3.44 g/t Pd+Pt+Au over 40 cm at the main showing area and was intersected in 12 of the 19 drill holes completed to date.

This discovery occurs in a previously unrecognized layered igneous complex now named the "Obwondiag layered igneous complex". Mineralization is hosted in an interpreted "reef" horizon of metamorphosed and sulphide – mineralized pyroxenite and melanogabbro. This horizon exhibits disseminated sulphides with local sulphide percentages high enough to produce net-textured sulphides. The sulphides are comprised primarily of pyrrhotite (iron sulphide) and chalcopyrite (copper sulphide). Mineralized breccias exhibiting magmatic textures with centimeter-scale rounded pyroxenite xenoliths contained in a massive sulphide constitute the stratigraphic top of the reef. There appears to be a strong correlation between the presence of chalcopyrite and high palladium values. The highest palladium, platinum and gold values are in the sulphide-poor basal section of the intersected reef.

Exploration results obtained to date are encouraging and must be put into the perspective that at producing PGE mines only two out of 3 drill holes show economic grades along the same reef.

Sphinx is currently seeking of a partner to continue to advance the project.

3.4 Cheechoo-Éléonore Trend project

a) Project description

The project consists of 551 claims (286 km²) along the northwest extension of the Cheechoo-Éléonore trend, located in the Eeyou Istchee James Bay territory, Québec. On August 23, 2016, the Corporation signed a letter of agreement to form a 50-50% joint venture with Sirios Resources Inc. ("Sirios") to explore the claims located on this promising trend.

b) Exploration work on the project

Till sampling programs completed in 2016 and 2017 on the project suggest a local source for gold detected in tills from the two priority targets. A follow-up program on these two targets was recently completed. The objective of the program was to attempt to establish the primary source of the gold. The targets and showings that will present the best gold potential will be eventually tested by drilling.

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3. EXPLORATION PROJECTS (CONT'D)

3.5 Chemin Troilus project

a) Project description

The Chemin Troilus project comprises 59 claims with a surface area of 32.1 km² and is located in the Eeyou Istchee James Bay territory, Québec. The project is subject to a 2% NSR and Sphinx has the right to purchase 1.5% of the NSR for \$2,000,000.

b) Exploration work on the project

The project is located 110 km north-northeast of the town of Chibougamau with good road access (see figure below). The project is situated at the southwest extremity of a northeast trending gold-copper bearing corridor at the northern limit of the Frotet-Troilus greenstone belt. This corridor contains the Troilus Mine (25 km northeast of the project) which was operated by Inmet Mining Corporation ("Inmet") from 1997 to 2010 and produced in excess of 2 million ounces of gold and 70,000 tonnes of copper. In addition, estimated indicated mineral resources of 44 million tonnes containing 1.8 million ounces of gold grading 1.27 g/t and 53,000 tonnes of copper grading 0.12 %, have been reported by Sulliden Mining Capital Inc. Between the Troilus mine and the project area, Muscocho Explorations Ltd. ("Muscocho") reported in 1987 mineralization in trenches and drillholes. Highlights include one drillhole that returned 2.26 g/t Au over 5.40 metres.

A helicopter-borne magnetic and radiometric survey performed by SOQUEM and Inmet in 2000 (Sigeom GM 59797) aimed to discover deposits similar to the Troilus Mine. A first mineralized boulder was discovered along the southwest extension of gold-bearing corridor between the Troilus Mine and the Muscocho showing. Prospecting work by Tectonic identified 13 additional mineralized boulders within an area 220 m by 45 m trending to the northeast within the corridor. The analysis of the boulders, anomalous in gold, revealed values up to 1.57 g/t Au. The boulders are angular, mineralized uniformly and majority of the boulders are greater than one metre in diameter. They contain 1 to 5% disseminated pyrite, 2 to 5% sericite and traces of magnetite. There is also 1 to 2% garnet indicating the high grade metamorphic nature of the rock.

The work carried out in 2016 revealed the presence of an abnormal number of gold particles, morphologically intact, in till samples taken at the head of a gold-bearing boulders dispersal train. The results obtained suggest a proximal common source in an area of 1.2 by 1.0 km up-ice of the head of the boulders dispersal train. In 2017, a drilling program was designed to attempt to discover a bedrock source of a mineralized boulders dispersal train in an area of the project characterized by weak to moderate induced polarization responses and coincident and strong magnetic anomalies. Highlight from the drill results is 2.5 g/t Au over 0.9 m in drill hole CT-17-06.

The project area where the boulder dispersal train is located, has no outcrop and is covered with a uniform till blanket ranging from 6 to 10 m in thickness. No previous work had been performed in this specific area. The rocks intersected were Archean metasedimentary rocks, metavolcanic rocks, granitoid rocks and breccias. The gold value returned from drill hole CT-17-06 was in a breccia. The mineralized boulders, however, were not explained by this initial drill program and their bedrock source remains an exploration priority. In combination with the drilling, the till results described below further support the prospectivity of the area. Additional work will be required to identify the source of the boulders.

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3. EXPLORATION PROJECTS (CONT'D)

Till survey

The two main objectives of the till sampling program were to identify other proximal source areas of the gold anomalies detected in the cover in 2016 and to discover other gold-bearing zones on the project. A total of 53 till samples were taken to provide coverage of the entire project area. Till samples weighing about 20 kg were collected at an average depth of about 1.2 meters. A total of 33 till samples contain one or more gold particles with sample 79012 containing more than 1,000 particles. The latter sample is part of a 3-km long southwest-northeast trend, parallel to the glacial flow direction defined by till samples with more than 40 gold particles. Within this trend, a grab sample returned a grade of 5.6 g/t Au. Three adjacent till samples along the same sampling line perpendicular to the glacial flow direction and containing between 40 and 100 gold particles, constitute a new exploration target on the project.

Sphinx intends to carry out in 2018 more surface work and drilling to identify source of boulders and to identify project partner.

3.6 Somanike project

a) Project description

The Somanike project comprises 95 claims over a 45 km² surface area and is located about 25 km north-west of the town of Malartic, in the Abitibi region of Québec. The Somanike project was named as part of the signing of a cooperation agreement between Sphinx and the Abitibiwinni first nation, based at Pikogan, Québec.

The Corporation must complete the following exploration work on 7 of the 86 claims according to the June 15, 2015 (amended on June 7, 2016) definitive agreement, failing which the project will be returned to Globex Mining Enterprises Inc. ("Globex"):

	Work	
	Commitment	Completed
	\$	\$
On or before June 15, 2018	300,000	11,100
On or before June 15, 2019	100,000	-
On or before June 15, 2020	100,000	-
Total	500,000	11,100

b) Exploration work on the project

Compilation of all historical drill data in conjunction with the helicopter-borne survey performed by Sphinx in 2014 identified previously unrecognized sulphide iron formations occurring across the project. These formations may be prospective for gold mineralization. Numerous drill targets have been generated. The Corporation has designed a follow-up exploration program which includes drilling of high priority targets and is actively seeking a partner to fund this program.

4. RESULTS OF OPERATIONS

In YTD Q3-18, the Corporation reported a loss of \$1,308,922 (\$959,147 in YTD Q3-17). In Q3-18, the Corporation reported a loss of \$352,524 (\$327,710 in Q3-17). The main variances are outlined and explained in the tables below.

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4. RESULTS OF OPERATIONS (CONT'D)

General and administration expenses details are as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Directors fees	12,000	12,000	36,000	36,000
Filing and transfer agent fees	17,264	13,999	27,935	30,399
Management fees	18,268	14,899	51,540	50,315
Office and miscellaneous	14,463	9,499	28,645	25,304
Professional fees	32,249	10,904	49,864	50,235
Promotion	66,124	31,808	213,203	49,893
Salaries and benefit	34,174	36,182	107,731	98,943
Share-based payments	-	88,450	-	88,450
Travel	11,027	9,360	48,295	14,578
General and administration	205,569	227,101	563,213	444,117

With respect to promotion and marketing, the CEO has launched several initiatives to raise awareness of the Corporation including meetings with potential investors in the USA, design and adoption on improved media and investor relations materials, a corporate communications plan and enhancements to the web site.

Finance costs details are as follows:

	Three months ended November 30,		Nine months ended November 30,	
	2017	2016	2017	2016
	\$	\$	\$	\$
Provision on promissory note receivable	-	-	-	85,000
Accretion sublease reserve	-	254	365	762
Accretion of convertible debentures	9,543	6,040	18,574	36,723
Issuance costs on convertible debentures	-	1,287	-	3,861
Accrued interest on convertible debentures	-	19,679	9,200	42,719
Finance costs	9,543	27,260	28,139	169,065

The discussion on the Eco-Niobium promissory note receivable can be found in the Corporation's MD&A for Fiscal 2017.

January 22, 2018

(s) Normand Champigny

Normand Champigny
Chief Executive Officer

(s) Ingrid Martin

Ingrid Martin
Chief Financial Officer