



MANAGEMENT'S DISCUSSION AND ANALYSIS

Quarterly Highlights

Three months ended May 31, 2019

SPHINX RESOURCES LTD.

Management's Discussion and Analysis – Quarterly Highlights

Three months ended May 31, 2019

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 months ended May 31, 2019 ("Q1-20"), 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 May 31, 2019 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, 2019. 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
Fiscal 2019	March 1, 2017 – February 29, 2018
Q1-19	March 1, 2018 – May 31, 2018
Q2-19	June 1, 2018– August 31, 2018
Q3-19	September 1, 2018 – November 30, 2018
Q4-19	December 1, 2018 - February 28, 2019
Fiscal 2020	March 1, 2018 – February 28, 2019
Q1-20	March 1, 2019 – May 31, 2019
Q2-20	June 1, 2019– August 31, 2019
Q3-20	September 1, 2019 – November 30, 2019
Q4-20	December 1, 2019 - February 29, 2020
Fiscal 2021	March 1, 2019 – February 29, 2020

The technical information contained in this MD&A Highlights has been reviewed and verified by Sphinx's Director, 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 AND HIGHLIGHTS

2.1 Strategy

Sphinx is a mineral exploration company that focuses its activities in southwestern Quebec in search of deposits of base metals (zinc, copper, lead) and precious metals (palladium, platinum, gold and silver). Sphinx is particularly active in the MRC Pontiac where its President and Chief Executive Officer resides. It has a strong local shareholding that contributes towards social acceptability.

To support this strategy Sphinx has formed two partnerships:

- with SOQUEM INC. ("SOQUEM"), a subsidiary of Ressources Québec and a leading player in mineral exploration in Québec, on the Calumet-Sud zinc project; and
- with Osisko Metals, Inc., with the objective to explore for zinc in highly prospective areas of the Grenville geological province in southern Québec (the "Grenville Zinc Project").

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2. OVERVIEW AND HIGHLIGHTS (CONT'D)

2.2 Financing

On May 14, 2019, the Corporation closed a private placement totalling \$71,500 by issuing 1,430,000 units at a price of \$0.05 per unit. Each unit is comprised of one common share and one half common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of \$0.07 until May 14, 2022. Also, the Corporation closed a private placement totalling \$120,250 by issuing 1,850,000 flow-through shares at a price of \$0.065 per share.

2.2 Board of directors update

On July 22, 2019, the Honourable Lawrence Cannon is appointed Chairman of the Corporation's Board of Directors, following the resignation of John W. W. Hick. In addition, Michel Lemieux is appointed as an independent director.

Over more than twenty four years, Michel Lemieux (B. Sc. RI) has gained significant experience in organizational development to elaborate and deploy management and support strategies and programs across a range of manufacturing and service companies. All inspired and guided by the mastery of a combination of concepts and models such as the Toyota model, the German approach and the industry 4.0 concept to optimize the level of performance and the overall performance for sustainable economic and social sustainability.

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:

	Q1-20	Q1-19
	\$	\$
Calumet-Sud		
Drilling	57,621	2,353
Trenching	64,874	-
Geology	28,462	5,510
Geochemistry	58,291	-
Recharge to partner	(104,624)	(5,079)
Tax credits	585	-
	105,209	2,784
Calumet-Nord		
Geochemistry	805	-
Tessouat		
Geology	2,863	-
Tessouat-Sud		
Geology	36,332	-
Geochemistry	138	-
	36,470	-
Obwondiag		
Geology	6,436	-

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3. EXPLORATION PROJECTS (CONT'D)

	Q1-20	Q1-19
	\$	\$
Green Palladium		
Project acquisition and maintenance	309	-
Geology	5,257	2,524
	5,566	2,524
Grenville Zinc		
Project acquisition and maintenance	-	166
Geology	862	975
Recharge to partner	(431)	-
	431	1,141
Soufflot		
Project acquisition and maintenance	928	-
Patrie		
Project acquisition and maintenance	2,026	-
Cheechoo-Éléonore Trend		
Geology	-	5,714
Geochemistry	-	130
	-	5,844
Chemin Troilus		
Project acquisition and maintenance	-	2,487
Geology	-	4,386
	-	6,873
Somanike Globex		
Project acquisition and maintenance	-	172
Geology	-	870
	-	1,042
Generation		
Geology	200	358
Total		
Project acquisition and maintenance	3,263	2,825
Drilling	57,621	2,353
Trenching	64,874	-
Geology	80,412	20,337
Geochemistry	59,234	130
Recharge to partner	(105,055)	(5,079)
Tax credits	585	-
Total exploration and evaluation expenditures	160,934	20,566

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3. EXPLORATION PROJECTS (CONT'D)

Ziac District

The Ziac district is an emerging zinc play, located in a 40-km long northwest trending corridor located in the Pontiac regional county municipality (the "Pontiac MRC") in southwestern Québec, 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 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 following projects: Calumet-Sud, Calumet-Nord, Tessouat, Tessouat-Sud, Obwondiag and GPd.

3.1 Calumet-Sud zinc project

a) Project description

The project consists of 21 claims (12.14 km²) located in the Pontiac MRC in southwestern Quebec. SOQUEM, 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 100% owned 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 project was acquired in 2015 from Gardin Inc. ("Gardin") (a company controlled by Michel Gauthier, a director of the Corporation), by issuing 1,384,615 common shares, valued at \$41,538. Subsequently, 1,923,077 and 2,846,231 common shares were issued in August 2016 and July 2017, valued at \$76,923 and \$128,077 respectively. A 2% NSR royalty was granted to Gardin.

b) Exploration work on the project

In January 2019, a new diamond drilling campaign was completed on the project. The campaign consisted of 29 holes totaling 3,483 metres. The objective of the drilling campaign was to test the depth extension of the best channel samples and to increase the understanding of the structural setting of zinc-rich zones from the Sonny deposit in the south towards the north along the identified axis. The results of the campaign were presented in the Fiscal 2019 year-end MDA.

The management committee, composed of members from SOQUEM and from the Corporation, held a meeting in June 2019 to review the 2019 results and conducted a field visit to plan and approve the next exploration program.

Further prospecting, lithogeochemistry sampling, geological mapping and interpretation of the drill core information is planned to enhance the geological understanding of the project which will allow to identify new drill targets.

The Corporation awaits for approval from the CPTAQ to continue with the next phase of drilling the project.

3.2 Calumet-Nord

a) Project description

On June 14, 2019, the Corporation signed an option agreement for the Calumet-Nord project with a strong potential for gold, silver and copper in the Proterozoic volcanic belt of l'Île-du-Grand-Calumet (MRC Pontiac, Quebec). The project is part of the larger Ziac district.

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3. EXPLORATION PROJECTS (CONT'D)

The Calumet-Nord project consists of 42 claims (24.5 km²) and is immediately adjacent to the north and east of the former New Calumet mine which produced from 1944 to 1968, 3.8 million tonnes of ore at a grade of 5.8% Zn, 1.6% Pb, 65 g/t Ag and 0.4 g/t Au. Following the end in the United States in 1971 of the redemption of gold at a rate of US\$35 per ounce, the gold intersections of this former mine generated a great deal of interest. It is in this stride that Lacana Mining Corp. intersected 17 m grading 5.4 g/t Au in the underlying Migmatite zone of 15 m at the mined orebody.

The option agreement for the project has been signed with its owner, Ressources Tranchemontagne Itée ("Tranchemontagne") (a wholly-owned subsidiary of Gardin), and provides that the option may be exercised by Sphinx in exchange for the payment of an aggregate amount of \$200,000 payable in two installments, \$100,000 upon signing of the option agreement (completed in June 2019) and \$100,000 as of June 20, 2020, and the granting of a 1% net smelter return royalty interest, which can be bought back by the Corporation at any time in exchange of a payment of \$1,000,000 in cash.

Several gold, silver, copper, lead and zinc showings are already known in the volcanic rocks of the project. They confirm the strong potential. A grab sample of the Cordierite showing, located 4 km northeast of the former New Calumet Mine, yielded 1 g/t Au, 65 g/t Ag, 0.38% Pb, 0.19% Zn and 0.09% Cu. In addition, a grab sample taken from square excavation, 5 m x 5 m in size, at the beginning of the 20th century found under a more than 100-year-old pine yielded 0.75 g/t Au, 54 g/t Ag, 5.22% Zn and 4.5% Pb. The alteration associated with this mineralization is identical to that of the New Calumet mine ore. In 2018, Tranchemontagne discovered this excavation. Analysis of a grab sample from a metric size block extracted revealed grades of 1.27 g/t Au and 3.84% Cu. The grab samples and the referenced photographs are of selected intervals and samples and are not necessarily representative of the mineralization hosted on the Project.

The host rock is a dalmatianite with sillimanite, potassic feldspar and muscovite. This altered volcanogenic rock is in all respects similar to the SHMU ('sillimanite-muscovite schist') proximal to the large Cannington silver orebody operated by South32 Limited in Australia (35 million tonnes of mineral resources grading 498 g/t Ag, 11.1% Pb and 4.1% Zn as reported by BHP Billiton in 2004).

In 2016, SOQUEM carried out an electromagnetic and magnetic airborne survey on the project. This survey, the first to be carried out on the project, revealed numerous anomalies, among others in the vicinity of the Cordierite, Lasalle and Shea deposits. These targets have never been explored. With the exception of the neighbourhoods of an old nickel mine, only six (6) historical holes have been drilled on the project.

b) Exploration work on the project

The Corporation will identify and test drill targets on the project later this year after the completion of surface exploration work including soil samplings and Beet Mat electromagnetic survey instrument surveys.

3.3 Tessouat-Sud and Obwondiaq

a) Project description

In the summer 2017, the Corporation staked the Tessouat-Sud and Obwondiaq projects, located in the Pontiac MRC in southwestern Quebec. After the biannual renewal process, as of the date of this report, 34 claims for Tessouat-Sud (21 km²) and 24 claims (14.4 km²) for Obwondiaq were renewed.

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3. EXPLORATION PROJECTS (CONT'D)

b) Exploration work on the project

In May 2019, the Corporation started a 2-month geochemical survey. The exploration program consisted of collecting B horizon soil samples along a 200 m spacing. The area of interest covers a 15.4 km² on the Tessouat-Sud project and 12.9 km² on the Obwondiag project representing a total of 780 planned samples. The soil samples were collected, dried for three (3) days in a ventilated space to be subsequently sifted and prepared for analysis performed with a portable device with X-ray fluorescence (Niton XL3t GOLDD+). The program was completed and the results are pending.

3.4 GPd project

a) Project description

The Corporation owns 100% of the GPd project, subject to a 2% NSR in favour of Gardin.

b) Exploration work on the project

An orientation biogeochemical survey was performed in June 2019 on the GPd project. Results are pending.

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

3.5 Soufflot

a) Project description

On June 14, 2019, the Corporation entered into an agreement with Tranchemontagne to acquire a 100% undivided interest in Soufflot and Patrie projects held by Tranchemontagne. Under the terms of this agreement, Sphinx acquired the projects for a consideration that consists of a cash payment of \$1.

The Soufflot project is located 5 km northwest of the municipality of Belleterre and consists of 26 mining claims with a further 7 claims staked by Sphinx (18.8 km²).

This project is located in the southern Abitibi Temiscaming region, at the contact between two Archean subprovince, the Pontiac metasedimentary subprovince and the Belleterre greenstone belt. Excellent road access throughout the year is available.

3.6 Patrie

a) Project description

The Patrie project is located 6 km southeast of the municipality of Saint-Édouard-de-Fabre. See details on the June 14, 2019 agreement with Tranchemontagne in section 3.5 above.

The Patrie project consists of 2 mining claims with 26 additional claims staked by Sphinx. This project is located in the Southern Abitibi Temiscamingue regions, at the contact between two Archean subprovince, the Pontiac metasedimentary subprovince and the Belleterre greenstone belt. Excellent road access throughout the year is available.

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4. RESULTS OF OPERATIONS

General and administration expenses details are as follows:

	Q1-20	Q1-19
	\$	\$
Directors fees	14,500	12,000
Filing and transfer agent fees	3,191	2,497
Management fees	19,163	11,325
Office and miscellaneous	10,681	9,067
Professional fees	16,539	27,402
Promotion	10,395	172,591
Salaries and benefit	27,714	36,880
Share-based payments	16,825	-
Travel	3,549	17,065
General and administration	122,557	288,827

Finance costs details are as follows:

	Q1-20	Q1-19
	\$	\$
Accretion of convertible debentures	-	10,450
Finance costs	-	10,450

In Q1-20, the Corporation reported a loss of \$273,123 (\$317,855 in Q1-19).

July 22, 2019

(s) Jeremie Ryan

Jeremie Ryan
Chief Executive Officer

(s) Ingrid Martin

Ingrid Martin
Chief Financial Officer