



**MANAGEMENT'S DISCUSSION AND ANALYSIS**

Quarterly Highlights

Three and nine months ended November 30, 2019

# SPHINX RESOURCES LTD.

## Management's Discussion and Analysis – Quarterly Highlights

Three and nine months ended November 30, 2019

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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 nine months ended November 30, 2019 ("YTD Q3-20"), 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 November 30, 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](http://www.sedar.com). The following abbreviations are used to describe the periods under review throughout this MD&A Highlights:

| Abbreviation | Period                                |
|--------------|---------------------------------------|
| Fiscal 2018  | 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 |
| Q3-19 YTD    | March 1, 2017 - November 30, 2018     |
| Q4-19        | December 1, 2018 - February 28, 2019  |
| Fiscal 2019  | March 1, 2018 – February 28, 2019     |
| Q1-20        | March 1, 2019 – May 31, 2019          |
| Q2-20        | June 1, 2019 – August 31, 2019        |
| Q3-20 YTD    | March 1, 2018 – November 30, 2019     |
| Q4-20        | December 1, 2019 – February 29, 2020  |
| Fiscal 2020  | March 1, 2019 – February 29, 2020     |

The technical information contained in this MD&A Highlights has been reviewed and verified by Sphinx's Director, Michel Gauthier, Ph.D., FSEG, P.Geo. 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's 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 precious metals (palladium, platinum, gold and silver) and base metals (zinc, copper, lead). 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.

## SPHINX RESOURCES LTD.

### Management's Discussion and Analysis – Quarterly Highlights

Three and nine months ended November 30, 2019

#### 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

At its Annual General Meeting held on August 29, 2019 on Grand Calumet Island, in the Pontiac MRC the following directors were elected: François Biron, Lawrence Cannon, Michel Gauthier, Jean Laforest, Michel Lemieux and Jeremie Ryan.

#### 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:

|                                     | Q3-20   | Q3-19     | Q3-20 YTD | Q3-19 YTD |
|-------------------------------------|---------|-----------|-----------|-----------|
|                                     | \$      | \$        | \$        | \$        |
| <b>Calumet-Nord</b>                 |         |           |           |           |
| Project acquisition and maintenance | -       | -         | 100,000   | -         |
| Trenching                           | 72,927  | -         | 72,927    | -         |
| Geology                             | 9,238   | -         | 14,523    | -         |
| Soil survey                         | 182,948 | -         | 233,394   | -         |
| Geophysics                          | 78,440  | -         | 81,590    | -         |
| Geochemistry                        | 4,373   | -         | 7,441     | -         |
|                                     | 347,926 | -         | 509,875   | -         |
| <b>Calumet-Sud</b>                  |         |           |           |           |
| Project acquisition and maintenance | 661     | 178       | 661       | 266       |
| Share issuance                      | -       | -         | -         | -         |
| Drilling                            | 160     | 10,570    | 65,229    | 18,786    |
| Trenching                           | 11,020  | 108,678   | 75,894    | 135,380   |
| Geology                             | 2,482   | 67,093    | 61,958    | 100,370   |
| Geophysics                          | -       | 6,380     | -         | 6,380     |
| Geochemistry                        | (165)   | 30,429    | 58,767    | 30,429    |
| Recharge to partner                 | (4,103) | (111,575) | (128,279) | (146,578) |
| Tax credits                         | -       | -         | 585       | -         |
|                                     | 10,055  | 111,753   | 134,815   | 145,033   |
| <b>Tessouat</b>                     |         |           |           |           |
| Project acquisition and maintenance | -       | 433       | 2,923     | 433       |
|                                     | -       | 433       | 2,923     | 433       |
| <b>Tessouat-Sud</b>                 |         |           |           |           |
| Project acquisition and maintenance | -       | -         | 2,973     | -         |
| Geology                             | -       | -         | 50,031    | -         |
| Geochemistry                        | (205)   | -         | 92        | -         |
|                                     | (205)   | -         | 53,096    | -         |

## SPHINX RESOURCES LTD.

### Management's Discussion and Analysis – Quarterly Highlights

Three and nine months ended November 30, 2019

#### 3. EXPLORATION PROJECTS (CONT'D)

|  | Q3-20          | Q3-19          | Q3-20 YTD      | Q3-19 YTD      |
|--|----------------|----------------|----------------|----------------|
|  | \$             | \$             | \$             | \$             |
| <b>Obwondiag</b>                                 |                |                |                |                |
| Project acquisition and maintenance              | -              | -              | 1,647          | -              |
| Geology  | -              | -              | 30,842         | -              |
|  | -              | -              | 32,489         | -              |
| <b>Green Palladium</b>                           |                |                |                |                |
| Project acquisition and maintenance              | 783            | 2,569          | 1,092          | 4,239          |
| Geology  | 5,800          | 811            | 13,219         | 3,762          |
| Geochemistry                                     | 131            | -              | 7,008          | -              |
|  | 6,714          | 3,380          | 21,319         | 8,001          |
| <b>Grenville Zinc</b>                            |                |                |                |                |
| Project acquisition and maintenance              | -              | -              | -              | 83             |
| Geology  | -              | 750            | 862            | 16,650         |
| Geochemistry                                     | 2,225          | 415            | 5,724          | 415            |
| Recharge to partner                              | -              | (583)          | (431)          | (8,533)        |
|  | 2,225          | 582            | 6,155          | 8,615          |
| <b>Soufflot</b>                                  |                |                |                |                |
| Project acquisition and maintenance              | 391            | -              | 2,368          | -              |
| Geology  | -              | -              | 6,055          | -              |
| Soil survey                                      | 25,848         | -              | 27,098         | -              |
|  | 26,239         | -              | 35,521         | -              |
| <b>Patrie</b>                                    |                |                |                |                |
| Project acquisition and maintenance              | -              | -              | 2,580          | -              |
| Soil survey                                      | -              | -              | 625            | -              |
|  | -              | -              | 3,205          | -              |
| <b>Cheechoo-Éléonore Trend</b>                   |                |                |                |                |
| Project acquisition and maintenance              | -              | -              | -              | 41,524         |
| Geology  | -              | -              | -              | 6,396          |
| Geochemistry                                     | -              | -              | -              | 130            |
|  | -              | -              | -              | 48,050         |
| <b>Chemin Troilus</b>                            |                |                |                |                |
| Project acquisition and maintenance              | -              | -              | -              | 4,388          |
| Geology  | -              | -              | -              | 4,862          |
|  | -              | -              | -              | 9,250          |
| <b>Somanike Globex</b>                           |                |                |                |                |
| Project acquisition and maintenance              | -              | -              | -              | 557            |
| Geology  | -              | -              | -              | 970            |
|  | -              | -              | -              | 1,527          |
| <b>Generation</b>                                |                |                |                |                |
| Geology  | -              | -              | 200            | 358            |
| <b>Total</b>                                     |                |                |                |                |
| Project acquisition and maintenance              | 1,835          | 3,180          | 111,321        | 51,490         |
| Drilling   | 160            | 10,570         | 65,229         | 18,786         |
| Trenching  | 83,947         | 108,678        | 148,821        | 135,380        |
| Geology  | 17,520         | 68,654         | 180,613        | 133,368        |
| Soil survey                                      | 208,796        | -              | 261,117        | -              |
| Geophysics                                       | 78,440         | 6,380          | 81,590         | 6,380          |
| Geochemistry                                     | 6,359          | 30,844         | 79,032         | 30,974         |
| Recharge to partner                              | (4,103)        | (112,158)      | (128,710)      | (155,111)      |
| Tax credits                                      | -              | -              | 585            | -              |
| <b>Total exploration/evaluation expenditures</b> | <b>392,954</b> | <b>116,148</b> | <b>799,598</b> | <b>221,267</b> |

# SPHINX RESOURCES LTD.

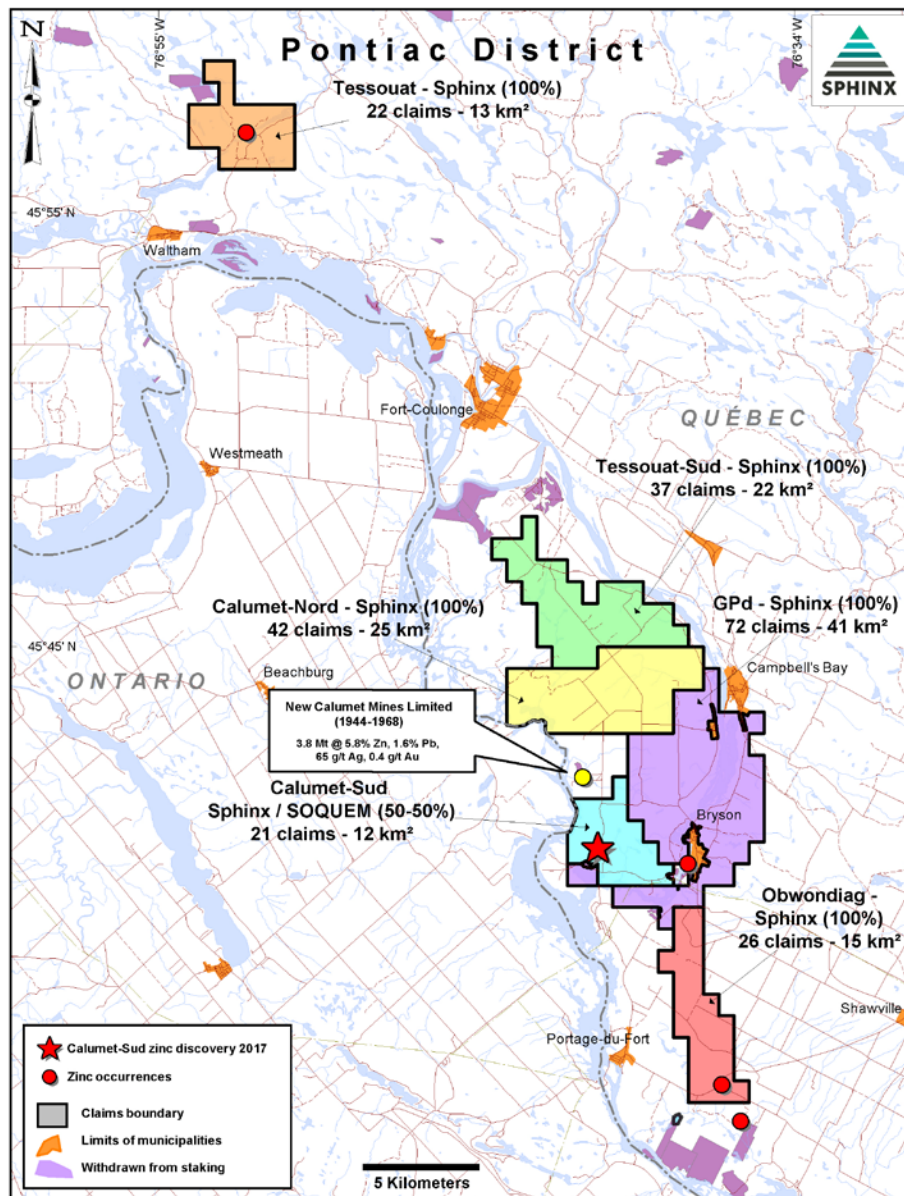
## Management’s Discussion and Analysis – Quarterly Highlights

Three and nine months ended November 30, 2019

### 3. EXPLORATION PROJECTS (CONT’D)

#### Pontiac District

The Pontiac district is an emerging play, located in a 40-km long northwest trending corridor located in the Pontiac regional county municipality (the “Pontiac MRC”) in southwestern Québec. The Pontiac district 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 Pontiac district is also defined by zinc-bearing dolomitic marbles typical of the Balmat-Edwards-Pierrepont zinc district, located in the state of New York, United States. The Pontiac district includes the following projects: Calumet-Nord, Calumet-Sud, Tessouat, Tessouat-Sud, Obwondiag and GPd as disclosed in the following map.



## **SPHINX RESOURCES LTD.**

### **Management's Discussion and Analysis – Quarterly Highlights**

Three and nine months ended November 30, 2019

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#### **3. EXPLORATION PROJECTS (CONT'D)**

##### **3.1 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.

The Calumet-Nord project consists of 42 claims (24.5 km<sup>2</sup>) 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 ltée ("Tranchemontagne") (a wholly-owned subsidiary of Gardin), that provides 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 sampling, Beepmat electromagnetic survey as well as induced polarization (I.P.) survey.

## **SPHINX RESOURCES LTD.**

### **Management's Discussion and Analysis – Quarterly Highlights**

Three and nine months ended November 30, 2019

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#### **3. EXPLORATION PROJECTS (CONT'D)**

Until November on whole Calumet-Nord project, 6,564 soil samples have been collected and analyzed with a portable XRF. Follow-ups with VLF and Beet Mat were done on conductors previously identified by an airborne electromagnetic survey. 32 kilometers of I.P. survey have been performed before November. An additional 43,63 kilometers will be surveyed before Christmas.

On October 16, 2019, the Corporation reported the results of 56 grab samples collected in late September on the latest stripped exposure of the Shea zone of the Calumet-Nord project. They delineate a copper-gold zone 8 to 10 metres wide by 95 metres long which remains open at both ends of the stripped outcrop. Then later in October 203 meter-long channel samples were collected on this stripped zone with the highest results being 2.29% copper and 0.5 g/t gold over one-meter length. These channel samples confirm the size of the copper-gold zone delineated previously with the 56 grab samples.

The copper-gold zone is an early epigenetic volcanogenic mineralization. It is subvertical and is disseminated in a sillimanite-muscovite-potassic feldspar-garnet-biotite schist, similar to the host rocks proximal to the Cannington deposit, a major volcanogenic silver deposit mined by South32 Limited in Australia. The copper-gold zone traced on the Calumet-Nord property is located 2.8 kilometres north of the former New Calumet mine. Significant gold zones were left behind in the mine, as the mine was shut down before the price of gold ceased to be fixed at US\$35/oz starting in 1972.

Both grab and channel samples geochemical analysis for gold were performed by pyroanalysis on 30g weighted sample with an atomic absorption finish. The base metal geochemical analysis were performed by atomic absorption after total dissolution in 3 acids, on 0.5g weighted sample. The samples were analysed by Lab Expert Inc. laboratory from Rouyn-Noranda. Note that grab samples are selective by nature and reported values are not representative of all the mineralized zones.

#### **3.2 Calumet-Sud zinc project**

##### **a) Project description**

The project consists of 21 claims (12.14 km<sup>2</sup>) 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. On September 25, 2019, Sphinx transferred the management of the project to SOQUEM. 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.

## **SPHINX RESOURCES LTD.**

### **Management's Discussion and Analysis – Quarterly Highlights**

Three and nine months ended November 30, 2019

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#### **3. EXPLORATION PROJECTS (CONT'D)**

Following a management committee, composed of members from SOQUEM and from the Corporation, it was agreed that SOQUEM would be the project operator for one year starting September 25, 2019.

Further prospecting, litho-geochemistry 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.

#### **3.3 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 km<sup>2</sup>) and 24 claims (14.4 km<sup>2</sup>) for Obwondiaq were renewed.

##### **b) Exploration work on the project**

In May 2019, the Corporation started a 2-month geochemical survey. The exploration program consisted on collecting B horizon soil samples along a 200 m spacing. The area of interest covers a 15.4 km<sup>2</sup> on the Tessouat-Sud project and 12.9 km<sup>2</sup> on the Obwondiaq project. The 657 soil samples collected were dried for three 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 samples revealed anomalous zinc, copper, lead and arsenic from non-anthropogenic origin. Further detailed prospecting is required to find either gold or base metal deposits or zinc SEDEX in dolomitic marbles of the Grenville Mesoproterozoic supergroup.

#### **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. The results indicate a strong preferential absorption by the trees for copper, lithium, gold and nickel. Follow ups with VLF and Beet Mat were done on the conductors previously identified by an airborne electromagnetic survey on the northern portion of the GPd project in conjunction with work performed on Calumet-Nord. Further surveys are recommended.

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.



## **SPHINX RESOURCES LTD.**

### **Management's Discussion and Analysis – Quarterly Highlights**

Three and nine months ended November 30, 2019

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#### **3. EXPLORATION PROJECTS (CONT'D)**

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 km<sup>2</sup>).

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.

##### **b) Exploration work on the project**

A soil survey was undertaken in November 2019 on Soufflot project. 1,165 samples were collected before early winter conditions prevailed. These samples were analyzed for gold by Lab Expert Inc. laboratory of Rouyn-Noranda. Several gold anomalies were thus detected. They will be follow up during the next field season.

#### **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.

##### **b) Exploration work on the project**

Although a soil survey has been planned on this property, severe winter conditions encountered in early November prevented it. It is contemplated to resume this survey during the next field season.

#### **3.7 Grenville Zinc**

On September 5, 2019, the Corporation sent a notice to Osisko Metals Inc. to terminate the October 15, 2018 exploration and development joint venture agreement.

## SPHINX RESOURCES LTD.

### Management's Discussion and Analysis – Quarterly Highlights

Three and nine months ended November 30, 2019

#### 4. RESULTS OF OPERATIONS

General and administration expenses details are as follows:

|                                   | Three months       |                | Nine months        |                |
|-----------------------------------|--------------------|----------------|--------------------|----------------|
|                                   | ended November 30, |                | ended November 30, |                |
|                                   | 2019               | 2018           | 2019               | 2018           |
|                                   | \$                 | \$             | \$                 | \$             |
| Directors fees                    | 15,000             | 12,000         | 44,500             | 36,000         |
| Filing and transfer agent fees    | 12,852             | 19,766         | 24,180             | 31,988         |
| Management fees                   | 13,388             | 10,237         | 58,801             | 35,700         |
| Office and miscellaneous          | 7,908              | 8,015          | 29,000             | 23,745         |
| Professional fees                 | 5,557              | 10,606         | 45,589             | 23,982         |
| Promotion                         | 22,162             | 10,711         | 37,085             | 130,474        |
| Salaries and benefit              | 14,040             | 34,952         | 70,689             | 105,716        |
| Share-based payment               | 6,807              | 13,627         | 37,154             | 33,294         |
| Travel                            | 8,303              | 8,217          | 13,566             | 35,121         |
| <b>General and administration</b> | <b>106,017</b>     | <b>128,131</b> | <b>360,564</b>     | <b>456,020</b> |

#### 4.1 Discussion on Q3-20 results

In Q2-20, the Corporation reported a loss of \$383,400 (income of \$214,014 in Q3-19) and the main variances can be explained as follow:

- Exploration and evaluation expenditures of \$396,954 (\$116,148 in Q3-19). See detailed table and description of the expenses per projects in section 3.
- General and administrative of \$106,017 (\$128,131 in Q3-19).
  - Promotion \$22,162 (\$10,711 in Q3-19). Initiatives to create a promotional teaser and change of web site provider.
  - Salaries and benefit of \$14,040 (\$34,952 in Q2-19). Sphinx hired exploration staff and their salaries and benefit are recharged to the projects based a daily rate which considers their overall compensation; there may be timing with vacations and other consideration.
- Change in fair value – listed shares - loss of \$40,451 (nil in Q3-19). Following the sale of 3 gold projects to Quebec Precious Metals Corporation ("QPM") in June 2018, Sphinx received 1,200,000 of QPM shares and as of November 2019, Sphinx holds 404,500 QPM shares. Sphinx did not sell any QPM shares in Q3-20.
- In Q3-20, a \$154,397 (\$31,400 in Q3-19) recovery of deferred income taxes was recognized in relation to the amortization, in proportion of the work completed, of the premium related to flow-through shares on the December 2018 and May 2019 private placements (in Q3-19, for the November 2017, June 2018 and July 2018 private placements).

#### 4.2 Discussion on Q3-20 YTD results

In Q3-20 YTD, the Corporation reported a loss of \$952,657 (\$498,876 in Q3-19 YTD) and the main variances can be explained as follow:

- Exploration and evaluation expenditures of \$799,598 (\$221,267 in Q3-19 YTD). See detailed table and description of the expenses per projects in section 3.
- General and administrative of \$360,564 (\$456,020 in Q3-19 YTD).
  - Promotion \$37,085 (\$130,474 in Q3-19 YTD). In June 2018, the Corporation had engaged FronTier Flex Marketing to assist in increasing market awareness; \$2,000 was incurred in Q3-20 YTD (\$79,000 in Q3-19 YTD).

## SPHINX RESOURCES LTD.

### Management's Discussion and Analysis – Quarterly Highlights

Three and nine months ended November 30, 2019

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#### 4. RESULTS OF OPERATIONS (CONT'D)

- Management fees \$58,801 (\$35,700 in Q3-19 YTD). The CFO was more involved in the management of the Corporation's activities.
- Professional fees \$45,589 (\$23,982 in Q3-19 YTD). Legal fees were incurred to prepare the CPTAQ permit requests. Additional accounting fees incurred related to increased exploration activities and exploration staff payroll management.
- Salaries and benefit of \$70,689 (\$105,716 in Q3-19 YTD). The current CEO, Jeremie Ryan, was nominated in December 2019 and has a different compensation package than the previous CEO. Also Sphinx hired exploration staff and their salaries and benefit are recharged to the projects based a daily rate which considers their overall compensation; there may be timing with vacations and other consideration.
- Travel \$13,566 (\$35,121 in Q3-19 YTD). Less travel was done by the current CEO.
- Net gain on disposal of mineral properties of nil (\$350,277 in Q3-19 YTD) following the sale of 3 gold projects to QPM in June 2019, in exchange of 1,200,000 QPM shares.
- Finance costs of nil (\$28,068 in Q3-19 YTD). In October 2018, Sphinx reached an agreement to issue 3,293,918 common shares in settlement of the principal and accrued interest of the convertible debenture for which it incurred \$28,068 finance costs in Q3-19 YTD.
- Change in fair value – listed shares - loss of \$69,366 (loss of \$194,160 in Q3-19 YTD). QPM emerged in June 2018 from the merger of 2 companies and the price of the new entity stabilized at a lower value than initially recorded when the shares were received. During Q3-20 YTD, Sphinx sold 318,000 for gross proceeds of \$97,700 (\$0.31 average selling price) and as at November 30, 2019 holds 404,500 QPM shares valued \$0.23.
- In Q3-20 YTD, a \$262,097 (\$42,257 in Q3-19 YTD) recovery of deferred income taxes was recognized in relation to the amortization, in proportion of the work completed, of the premium related to flow-through shares on the December 2018 and May 2019 private placements (in Q3-19 YTD, for the November 2017, June 2018 and July 2018 private placements).

January 13, 2020

(s) Jeremie Ryan

Jeremie Ryan  
Chief Executive Officer

(s) Ingrid Martin

Ingrid Martin  
Chief Financial Officer