BRAVEHEART RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2019 and 2018

*The following management's discussion and analysis ("**MD&A**") is management's assessment of the results and financial condition of Braveheart Resources Inc. ("**Braveheart**" or the "**Company**") and should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and six months ended November 30, 2019 and the audited consolidated financial statements for the year ended May 31, 2019 ("**2019**") , which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is January 28, 2020. Braveheart's most recent filings are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the Internet at www.sedar.com.*

*The "Qualified Person" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") for Braveheart's exploration and mining projects as described in the following discussion and analysis is Ian Berzins, CEO of the Company and a Professional Engineer Registered in the Province of British Columbia.*

1. DESCRIPTION OF BUSINESS

Braveheart is a Canadian-based exploration company focused on acquiring, exploring and developing mineral properties throughout Canada, principally in British Columbia.

On November 27, 2012, the Company filed Articles of Amalgamation under the Business Corporations Act (Ontario), whereby the Company was amalgamated with Braveheart to form an amalgamated corporation operating under the name of "Braveheart Resources Inc." (the "Company"). All amounts herein reflect the financial effects of the amalgamation.

2. HIGHLIGHTS OF THE QUARTER

Highlights for the six months ended November 30, 2019 include:

- Completion of a 14 hole 3,085 metre diamond drill program at the Company's Bul River Mine property. The focus of the program was on the past producing Empire-Strathcona property located on the Company's 100% owned Bull River land package and approximately 12 kilometres from the Bull River mill. All drill holes intersected narrow mineralized structures, but grades of the mineralized material to-date do not support further exploration at this location at this time.

- Continued development of the Major Mines Permit Application with the Energy, Mines and Petroleum Resources of British Columbia. The underground mine is currently permitted for mining at a rate of 205 tonnes per day and management intends to increase the permitted mining rate to approximately 1,000 tonnes per day in order to optimize the capacity of the installed surface infrastructure. There is currently no permit to store tailings at the property either in the underground or on surface. Management plans to implement dry stack tailings technology for operation of the tailings storage facility on surface. During the quarter management focused on completion of a condemnation drilling program and a groundwater drilling program in support of the permit application.

- Completion of equity financing in June 2019 (combination of flow-through and common share units) resulting in net proceeds of $630,000.

- Completed the exercise of common share purchase warrants resulting in gross proceeds of $880,369.

- Procurement of a used transformer for future use at the Bull River Mine ore processing facilities at a cost of $265,000, of which $165,000 has been paid and the balance included in accounts payables.

- The Company has reviewed its exploration and development priorities and either sold or forfeited its non-core mineral claims. All non-core claims have in previous years been written down to $8. The Company continues to maintain the Purcell claims.

3. ACQUISITION OF PURCELL BASIN MINERALS INC.

3.1 Summary of Acquisition

On January 18, 2019 the Company completed a definitive agreement to acquire the shares of Purcell Basin Minerals Inc. (Purcell) pursuant to a plan of arrangement and made pursuant to the Companies' Creditors Arrangement Act (CCAA). This was an arm's length transaction. The acquisition of Purcell received approval from all required parties and the transaction closed on January 18, 2019.

Under the terms of the Plan, Braveheart settled all priority payables including the costs of the Court appointed Monitor under the CCAA proceedings, related legal expenses and the interim financing that was in place and being paid by the debtor in possession.

The unit holders of CuVeras LLC ("CuVeras"), one of two secured creditors of Purcell, have been issued 10 million common shares of Braveheart and 10 million warrants of Braveheart, with each warrant entitling the holder to purchase a Braveheart common share at a price of $0.15 per share for a period of 12 months.

Braveheart has purchased CuVeras' senior secured position for $6,000,000 in the form of a convertible debenture, which will mature three years from the date of issuance. The debenture bears annual interest of 0%, 1% and 2% respectively in the first, second and third year of the debenture. After two years, 40% of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.40 per share. After 35 months, the entire amount of the principal amount of the debenture can be converted into shares of Braveheart at a price of $0.50 per share. If the convertible debenture is fully converted into common shares of Braveheart, an aggregate of 13,200,000 common shares would be issuable to CuVeras.

Highlands Pacific LLC and Highlands Pacific Partners LP and related entities controlled by Brendan MacMillan ("MacMillan Group"), the second secured creditor of Purcell, has been paid $2,500,000 in exchange for releasing all claims against the assets of Purcell and all claims against CuVeras and those parties have settled all previous litigation between them.

Unsecured creditors of Purcell have received 30% of their claim value in common shares of Braveheart at a price of $0.10 per share based on a satisfactory proof of claim, resulting in the issuance of 4,276,248 common shares of Braveheart.

Pre-existing Purcell equity holders were granted an offer to acquire up to 16.5 million units ("Units") of the Company. Each Unit was comprised of one common share of the Company and one warrant, with each warrant entitling the holder to purchase one common share at a price of $0.15 per share for a period of 12 months. Each Purcell equity holder, regardless of how many Purcell shares previously held by such equity holder, was required to make a flat cash payment of $1,000 for all the Units purchased. On May 8, 2019, 118 pre-existing Purcell equity holders accepted the offer resulting in cash proceeds of $118,000 and the issuance of 16,200,781 Units. These transactions have been reflected in 3.2 above.

The acquisition of Purcell provides the Company with an advanced stage development project with past production in a friendly Canadian mining jurisdiction. The Bull River project has approximately 22 kilometres of underground tunnels that provide access to a significant portion of the current NI 43-101 indicated resource of 1,511,000 tonnes. Based on a cut off grade of 1% copper equivalent the resource has a grade of 1.74% copper, 0.37 grams per tonne of gold and 14.18 grams per tonne of silver. The current indicated resource should support a mine life of approximately 6.5 years in addition to the surface stockpile of mineralized material which will provide the process facility with an initial feed for six months. The underground is currently on care and maintenance and has been maintained in a dewatered condition thereby allowing for an expedited return to mining in the underground. The surface infrastructure includes a 750 tonne per day mill that can be expanded to 1,000 tonnes per day. The mill will require replacement of the flotation circuit and installation of a filtration system in support of the filtered tailings operation. A new 10 MVA transformer is required on surface to allow for reconnection to the BC Hydro transmission grid. Total capital requirements to refurbish the mill and complete surface upgrades is approximately $5.0 million. The surface infrastructure also includes a maintenance facility, assay lab and administrative building containing drying facilities.

The Bull River project is a brownfields operation that previously operated from 1971 to 1974 producing 7,260 tonnes of copper, 6,354 kg of silver and 126 kg of gold from 471,900 tonne milled. The property is located approximately 35 kilometres from Cranbrook, British Columbia and connected by paved and all weather roads. Grid power from BC Hydro is connected to site. The property is located in proximity to several local mining communities including Cranbrook, Kimberly and Fernie.

3.2 Value Received and Consideration Transferred

Cash	$	118,000
Deposit		525,214
Amounts receivable		1,057,643
Deferred tax asset		1
Property, plant & equipment		2,806,429
Mineral Property		2,063,000
Unprocessed ore		5,039,144
		11,609,431
Decommissioning Obligation		(156,380)
Accounts payable assumed		(119,993)
Fair value of net assets acquired	$	11,333,058
Fair value of consideration transferred:		
Shares and warrants issued to secured creditors	$	1,000,000
Payments made to secured creditor and monitor		3,724,433
Convertible debenture		6,000,000
Shares issued to unsecured creditors		427,625
Shares and warrants issued to former Purcell shareholders		118,000
Shares issued in settlement of claim		63,000
Fair value of consideration	$	11,333,058

The acquisition of historical non-capital loss and tax pools of an estimated $153,522,000 are available to reduce future income taxes. The future benefit of these tax pools have been reflected in the fair value estimates at $1.

The Company incurred $561,909 in acquisition transaction costs including direct costs incurred of the Monitor and legal costs that have been included in the statement of loss.

Contingency - The Company is defending two claims in dispute which was assumed. One claim was settled with the issuance of 450,000 common shares on November 7, 2019 with a fair value estimate of $63,000. Should the other dispute be settled in favour of the claimants this would result in the issue of up to 900,000 common shares. The Company is not able to estimate the outcome of this contingency.

4. MINERAL PROPERTY EXPLORATION ACTIVITIES

4.1 Bull River Mine Property

During the six months ended November 30, 2019 the Company completed 14 drill holes and 3,085 metres of diamond drilling at the past producing Empire-Strathcona property which is located on the company's 100% owned Bull River land package. Mineralization at the property is primarily copper and silver. Prior to commencement of drilling the Company collected grab samples from adits and dumps with assay values ranging from 0.22% to 7.1% copper. The Empire-Strathcona property is located approximately 12 kilometres from the Bull River Mill facility. Depending on the results of the exploration drilling Empire-Strathcona could become a supplementary mill feed for the primary mill. All drill holes intersected narrow mineralized structures, but grades of the mineralized material to-date do not support further exploration at this location at this time. The Company intends to focus future exploration activities in closer proximity to the existing mineral resource at the Bull River Mine property, including targets that are best approached from existing underground working. Based on drilling activities completed during the quarter at the Bull River Mine property, mineral titles on-line expiry dates have been extended until May 2022, for the entire property.

Additionally, the Company received an amendment to its Mine Act Permit M-33 from British Columbia Energy, Mines and Petroleum Resources ("EMPR"). The amendment provides approval for exploration drilling and groundwater drilling at the permitted mine area. The approval will allow for condemnation drilling to ensure that the proposed location for the planned dry stack tailings storage facility is not underlain by economic mineralization. The amendment also provides for a groundwater drilling program to include the installation of water wells and monitoring of the wells. This information will supplement the surface water monitoring programs already in place at the mine property. Results of the two drilling programs are critical components in support of the Company's continuing application to restart the operation.

4.2 Alpine Property

No significant exploration activities were completed at the Alpine Property during 2019.

On December 15, 2019, the Company did not satisfy the commitments in its option agreement with regards to the Alpine Mine property (issue $200,000 in cash and 400,000 common shares). Note 13 of the financial statements discusses $3,200,000 of cash payment requirements and the issue of 400,000 common shares. The Company has received notice of default and continues to discuss renegotiations of the terms of this agreement. Should the Company not successfully renegotiate Alpine option terms the Company would write down its $365,000 recorded costs.

The Company completed a second year of exploration activities at the Alpine Property during September 2018. The program consisted of a helicopter-assisted diamond drill program of approximately 1,600 metres. The purpose of the program was to test for extensions of the current resource on strike and down dip through step-out drill holes. Surface exploration including mapping and sampling of potential targets on the property was carried out simultaneously. The 2018 drilling program verified the existence of the mineralized structures on strike and down-dip but results were not sufficient enough to materially change the previously announced Mineral Resource.

The Alpine property currently has a National Instrument 43-101 compliant resource report that was posted on SEDAR on March 7, 2018. An inferred resource of 268,000 tonnes has been estimated resulting in an inferred gold resource of 142,000 ounces using a cut-off grade of 5.0 g/t gold and an average grade of 16.52 g/t gold.

5. MINERAL PROPERTY EXPENDITURES AND COMMITMENTS

5.1 Mineral Property Expenditures

Braveheart's option payments and acquisition costs on mineral properties through the quarter ended August 31, 2019 were as follows:

Mineral Property	Balance May 31, 2019	Option payments & Acquisition costs	Disposition (Assignment)	Balance November 30, 2019
Alpine	$ 365,000	-	-	$ 365,000
Purcell	$ 2,000,000	63,000	-	$ 2,063,000
Other	$ 8	-	(8)	$ -
Total	$ 2,365,008	63,000	(8)	$2,428,000

Braveheart's expenditures on mineral properties during the quarter ended August 31, 2019 were as follows:

	Mining Exploration Expense	
Mineral Property	November 30, 2019	November 30, 2018
Alpine	$ 19,492	$ 402,742
Purcell	722,531	-
Other	-	-
Total	$ 742,023	$ 402,742

6. RESULTS OF OPERATIONS

	Three Months ended		Six months ended	
	November 30 2019	November 30 2018	November 30 2019	November 30 2018
Expenses				
Marketing and advertising	**13,811**	-	**$ 22,255**	$ -
Consulting fees	**225,767**	45,250	**340,026**	89,250
Amortization	**46,868**	-	**87,229**	-
Acretion	**6,270**	-	**9,715**	-
Administrative expenses	**13,337**	30,028	**83,867**	47,251
Professional fees	**71,547**	85,522	**122,374**	93,022
Rent	**-**	-	**1,000**	-
Salaries and wages	**120,635**	-	**229,612**	-
Supplies and maintenance	**103,334**	-	**204,478**	-
Mining exploration and development expenses	**315,335**	346,717	**742,023**	402,741
Mine development	**-**	-	**-**	-
Share based compensation	**-**	-	**842,800**	-
Interest expense	**337,627**	-	**688,915**	-
Operating loss	**1,254,531**	**507,517**	**3,374,294**	632,264
Foreign Exchange gain (loss)	**(278)**	-	**(1,049)**	-
Loss on sale of assets	**-**	-	**(7)**	-
Interest income	**16,251**	-	**34,562**	220
Net loss	**(1,238,558)**	**(507,517)**	**$ (3,340,788)**	(632,044)
Flow-through share premium renunciation	**17,000**	-	**47,000**	-
Corporate income tax recovery	**-**	-	**133,440**	-
Net loss and comprehensive loss for the period	**(1,221,558)**	**(507,517)**	**$ (3,160,348)**	$ (632,044)
Net loss per share	**(0.012)**	**(0.011)**	**(0.031)**	$ **(0.014)**
Weighted average outstanding shares	**105,490,930**	**46,286,105**	**102,877,511**	45,399,548

6.2 *Analysis of Key Variances*

Results of operations for the six months ended November 30, 2019 resulted in a net loss of $3,160,348 (1,221,558 for three months), compared to a loss of $632,044 ($507,517 for three months) for the prior year.

The Purcell Project acquisition of January 18, 2019 and subsequent integration has had the following impact on operating results, notably:

- Consulting, amortization, accretion, administrative expenses, professional fees, salaries and wages, supplies and maintenance and mining expenses increases are new operating costs associated with the operations of the Purcell Project since acquisition. Salaries and wages, and supplies and maintenance, and mining expenses (including electricity) relate to the drilling operations and ongoing de-watering of the underground tunnels of the property to ensure success of future mining operations. Consulting fees included $77,500 fees incurred to source and secure capital development financing on a best efforts basis. No such financings have occurred.
- Mining exploration and development costs of $742,023 represent Company efforts to explore and achieve permitted operation of the Purcell acquisition mining properties.

- Share based compensation of $842,800 is the result of the Company having granted on June 5, 2019, 5,955,556 options at a strike price of $0.18 and an expiry date of four years to officers, directors, employees and consultants. The fair value of stock options granted of $0.14 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.38%, expected life of 4 years and historical volatility was used for calculation of expected volatility of 123%.
- Interest expense of $688,915 which is the sum of interest incurred on the related party loan and the effective interest on the convertible debenture related to the Purcell Project acquisition. Note that $560,182 is non-cash and includes the amortization of the estimated fair value of the equity portion of the convertible debenture.
- Interest revenue relates to Canada Revenue Agency tax and GST refunds.

7. QUARTERLY FINANCIAL INFORMATION

The following is selected financial data from the quarterly interim consolidated financial statements of Braveheart for the last eight completed fiscal quarters ending August 31, 2019. This information should be read in conjunction with Braveheart's audited annual and unaudited interim consolidated financial statements for the periods below.

	Nov. 30, 2019	August 31, 2019	May 31 2019	Feb. 28 2019	Nov. 30, 2018	Aug. 31, 2018	May 31 2018
	Q2	Q1	Q4	Q3	Q2	Q1	Q4
(a) Revenue	$16,251	$18,311	$123	$ -	$ -	$ 220	-
(b) Net income (loss) and comprehensive income (loss)	$(1,221,558)	$(1,938,790)	$(12,070,041)	$9,787,231	$(507,518)	$(124,527)	$(70,878)
(c) Net income (loss) per share –basic and fully diluted(1)	($0.012)	($0.019)	$(0.148)	$0.146	$(0.011)	$(0.003)	$(0.002)

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

During the quarter ended February 28, 2019 the Company recognized a bargain purchase price of $10,366,552 based on initial estimates of fair value of assets acquired and liabilities assumed with the Purcell Project acquisition. During the quarter ended May 31, 2019 the Company finalized its estimates of fair values which have resulted in a $nil bargain purchase. The fourth quarter of the year end May 31, 2019 includes the reversal of the bargain purchase.

Braveheart does not generate any significant operating revenue.

8. FINANCIAL CONDITION

Based on the November 30, 2019 working capital position, Braveheart does not have sufficient cash to continue significant exploration activities on its mineral properties without additional financings. Braveheart intends to obtain proceeds from additional equity financing or prospective lenders to finance capital development of the Purcell mining facilities for ore mining operations or ore processing and exploration expenditures, as well as general and administrative expenditures;

however, there can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to Braveheart.

9. LIQUIDITY AND CAPITAL RESOURCES

Braveheart is wholly dependent on equity or debt financing to complete the development of its exploration and evaluation assets. Braveheart does not expect to generate any significant revenues from operations in its next fiscal year.

Braveheart is dependent on external financing to fund its acquisitions and exploration activities. In order to carry out further exploration and pay for general and administrative costs, Braveheart may spend its existing working capital and attempt to raise additional funds as needed. Braveheart will continue to assess new properties and seek to acquire interests in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

The ability of Braveheart to successfully acquire additional mineral properties and proceed with exploration activities on current properties is conditional on its ability to secure financing when required. Braveheart proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times or in the amounts required or desired by Braveheart, or upon terms acceptable to Braveheart or at all.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of Braveheart, is reasonable. There were no changes in Braveheart's approach to capital management during the quarter ended November 30, 2019. Braveheart is not subject to externally imposed capital requirements.

Braveheart had no off-balance sheet arrangements at November 30, 2019.

10. OUTLOOK AND FUTURE EXPLORATION WORK

Working capital from Braveheart's treasury, as available from time to time, may also be used to acquire and explore other properties either alone or in concert with others as opportunities and finances permit.

Braveheart intends to target, review and, if desirable, acquire and develop additional mineral assets in order to augment and strengthen its current mineral property portfolio. In conducting its search for additional mineral properties, Braveheart may consider acquiring properties that it considers prospective based on criteria such as the exploration history or location of the properties, or a combination of these and other factors.

Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility. There is no assurance that Braveheart's funding initiatives will continue to be successful to fund its planned exploration activities.

An investment in Braveheart's securities is speculative.

11. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The financial statements for the six months ended November 30, 2019 have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that Braveheart's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The preparation of these unaudited interim condensed consolidated financial statements in accordance with International Accounting Standard as issued by the International Accounting Standards Board ("**IASB**"), requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the audited consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- Braveheart assesses the carrying value of exploration and evaluation assets each reporting period to determine whether any indication of impairment exists. The calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance;
- due to the complexity and nature of Braveheart's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on Braveheart's financial position or results of operations as at and for the six months ended November 30, 2019; and
- Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

12. SIGNIFICANT ACCOUNTING POLICIES

Braveheart's significant accounting policies are summarized in the notes to the audited annual consolidated financial statements for the year ended May 31, 2019. Braveheart is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of Braveheart's consolidated financial statements.

Exploration and Evaluation Assets

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures ("E&E") are charged to operations as incurred. These direct expenditures include such costs as materials used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs and share based payments to employees and consultants, are expensed in the period in which they occur.

The acquisitions of mineral property interests are initially measured at cost. Mineral property acquisition costs and development expenditures incurred subsequent to the determination of the feasibility of mining operations and approval of development by the Company are capitalized until the property to which they relate is placed into production, sold or allowed to lapse.

Exploration and evaluation costs incurred prior to determination of the feasibility of mining operations are charged to operations as incurred. Mineral property acquisition costs include the cash consideration and the fair market value of shares issued for mineral property interests pursuant to the terms of the relevant agreements. These costs will be amortized over the estimated life of the property following commencement of commercial production, or written off if the property is sold, allowed to lapse, or when an impairment of value has been determined to have occurred.

Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which Braveheart receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by Braveheart.

13. ACCOUNTING ISSUES

13.1 Management of Capital Risk

The objective when managing capital is to safeguard Braveheart's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

Braveheart considers as capital its shareholders' equity and cash and equivalents. Braveheart manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, Braveheart may issue new common shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. Braveheart will require additional funds to carry out capital development and exploration on its mineral properties. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when Braveheart needs to raise capital, there will be access to funds at that time.

13.2 Management of Financial Risk

Braveheart is exposed to various property and financial risks and assesses the impact and likelihood of this exposure. These risks include property risk, credit risk, liquidity risk, market risk, interest rate risk and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 5 to the financial statements for the year ended May 31, 2019.

14. OUTSTANDING SHARE DATA

14.1 *Common Shares*

	Number of Shares
Common shares outstanding – May 31, 2019	**93,803,134**
Share issue for cash	**333,333**
Shares issued on exercise of options	**300,000**
Shares issued for claim settlement	**450,000**
Shares issued for cash – flow-through shares	**3,823,530**
Shares issued on exercise of warrants	**7,318,293**
Common shares outstanding – November 30, 2019	**106,028,290**

Braveheart has an authorized share capital consisting of an unlimited number of common shares.

14.2 *Warrants*

	Number of Warrants
Warrants outstanding – May 31, 2019	**52,531,176**
Exercised for cash proceeds of $880,369	**(7,318,293)**
Expired	**(708,334)**
Issued	**962,725**
Warrants outstanding –November 30, 2019	**45,467,274**

14.3 *Stock Options*

The Company has a stock option plan to provide employees, directors, officers and consultants with options to purchase common shares of the Company. Under the plan, the exercise price of each option equals the market price of the Company's stock on the day of grant and the maximum term of option is five years. The maximum number of shares which may be issued under the program shall not exceed 10% of the issued and outstanding shares. The following summarizes the employees, directors, officers and consultants stock options that have been granted, exercised, expired, vested or cancelled during the period ended November 30, 2019:

	Number of Options		Weighted Average Exercise Price
Balance, May 31, 2019	3,000,000	$	0.06
Granted	5,955,556		0.18
Balance, August 31, 2019	8,955,556	$	0.14
Exercised	300,000		0.16
Balance, November 30, 2019	8,655,556	$	0.14

On June 5, 2019 the Company granted 5,955,556 options at a strike price of $0.18 and an expiry date of four years to officers, directors, employees and consultants. The fair value of $842,800 for the 5,955,556 stock options granted of $0.14 per option was calculated at the grant date using the Black-Scholes option pricing model. The assumptions for this calculation were a risk free interest rate of 1.38%, expected life of 4 years and historical volatility was used for calculation of expected volatility of 123%.

On October 31, 2019 300,000 stock options were exercised at $.06 for gross proceeds of $18,000.

15. OTHER INFORMATION

15.1 Contractual Commitments

The Company has a commitment to spend $295,000 from amounts raised through flow-through financing issued prior to December 31, 2018 on eligible Canadian exploration and development expenses. At August 31, 2019, the Company has incurred these required expenses. In June 2019 the Company has committed to spend $650,000 from amounts raised through flow-through financing on eligible Canadian exploration and development expenses.

On November 2, 2016, the Company entered into an option agreement with regards to the Alpine Mine property. In December 2018 the Company entered into an amended Option Agreement covering the Alpine Property. The main amendments to the Option Agreement were: 1) the elimination of any future minimum exploration expenditure requirement; 2) the extension of required payments out to December 2023 (previously 2022). The revised future commitments under the Option Agreement are as follows:

	Cash Payment	Common Shares
December 15, 2019	$ 200,000	400,000
December 15, 2020	$ 200,000	-
December 15, 2021	$ 200,000	-
December 15, 2022	$ 1,300,000	-
December 15, 2023	$ 1,300,000	-
	$ 3,200,000	400,000

On December 15, 2019, the Company did not satisfy the commitments in its option agreement with regards to the Alpine Mine property (issue $200,000 in cash and 400,000 common shares). The Company has received notice of default and continues to discuss renegotiations of the terms of this agreement.

The Corporation estimates the total undiscounted cash flows to settle its asset retirement obligations are approximately $470,750 in 2044. A Corporation credit adjusted risk-free interest rate of 15.0% and an estimated inflation rate of 3.0% was used to calculate the present value of asset retirement obligations.

15.2 Limitations of Controls and Procedures

Braveheart's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within Braveheart have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

15.3 Corporate Governance

Braveheart's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the unaudited interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

15.4 Related Party Transactions

On January 4, 2019 the Company entered into a loan agreement with Matlock Farms Ltd., a company controlled by Aaron Matlock, a director of the Company. The loan has a principal amount of $5,000,000 and carries an interest rate of 14.8% for a term of four years and is secured by a General Security Agreement. Interest will accrue for the first two years, and commencing in the third year, the Company will be required to make blended payments comprised of principal and interest.

Under the terms of the loan agreement, $650,000 of the $5,000,000 is in an escrow account as security for certain third-party debts with Matlock Farms Ltd. On March 1, 2019 $172,785 and on September 3, 2019 an additional $172,784 was paid.

		November 30 2019		**May 31 2019**
Loan due January 4, 2019, bears interest at 14.8%	$	4,800,000	$	4,800,000
Loan advanced		200,000		
Accrued interest to date		622,842		
Interest paid		(345,568)		261,922
	$	5,277,274	$	5,061,922

15.5 Subsequent Events

On December 20, 2019, the Company completed a private placement of 5,200,000 common shares on a flow through basis at $0.14 per common share and for gross proceeds of $728,000. Commissions totalling $72,240 were paid on the private placement resulting in net proceeds of $655,760. Additionally, 266,000 broker warrants were issued to a registered broker entitling the holder to acquire one additional common share of the Company for each warrant held at a price of $0.14 for a period of 24 months from the date of issue. The Company has a commitment to spend $728,000 from amounts raised through flow through financing issued prior to December 31, 2020 on eligible Canadian exploration and development expenses.

On December 15, 2019, the Company did not satisfy the commitments in its option agreement with regards to the Alpine Mine property (issue $200,000 in cash and 400,000 common shares). The Company has received notice of default and continues to discuss renegotiations of the terms of this agreement. Should negotiations be unsuccessful the Company will write down its $365,000 cost of the Alpine Mine property.

Subsequent to November 30, 2019, 1,144,742 common share purchase warrants were exercised for gross proceeds of $171,711 and 25,779,807 common share purchase warrants expired unexercised.

On January 23, 2019 500,000 stock options were exercised at $0.06 per common share for gross proceeds of $30,000.

15.6 Changes in Accounting Policies

In January 2016, the IASB issued IFRS 16 Leases, which replaces the current IFRS guidance on leases. Under the current guidance, lessees are required to determine if the lease is a finance or operating lease, based on specified criteria. Finance leases are recognized on the balance sheet, while operating leases are recognized in the statement of operations when the expense is incurred. Under IFRS 16, lessees must recognize a lease liability and a right-of-use asset for virtually all lease contracts. The recognition of the present value of minimum lease payments for certain contracts currently classified as operating leases will result in increases to assets, liabilities, depletion, depreciation and amortization, and finance expense, and a decrease to production, operating and transportation expense upon implementation. An optional exemption to not recognize certain short-term leases and leases of low value can be applied by lessees. For lessors, the accounting remains essentially unchanged. The standard will be effective for annual periods beginning on or after January 1, 2019. There has been no material impact of adoption of the standard.

16. FORWARD-LOOKING STATEMENTS CAUTIONARY NOTE

This MD&A may contain forward-looking statements that are based on Braveheart's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of Braveheart are set out above under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this MD&A may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of Braveheart. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although Braveheart believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Braveheart to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to Braveheart's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic mineral deposits; management's assessment of future plans for its property interests (See "Mining Properties – Exploration Activities"); management's economic outlook regarding future trends; Braveheart's expected exploration budget and ability to meet its working capital needs at the current level in the short term (See "Liquidity and Capital Resources" and "Financial Conditions"); expectations with respect to raising capital (See "Liquidity and Capital Resources"); and management's proposed undertaking to attempt to renegotiate certain of its option agreements (See "Financial Conditions").

Inherent in forward-looking statements are risks, uncertainties and other factors beyond Braveheart's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with Braveheart's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mineral exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for Braveheart's exploration and development activities; operating and exploration and development costs; Braveheart's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration properties and other operations; market competition; and general business and economic conditions.

For further discussion of certain risks and uncertainties that could contribute to a difference in results that those expressed in certain forward looking statements contained herein, please review those risks listed under the heading "Risks Factors" in this MD&A. Although Braveheart has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are not guarantees of future performance and there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and Braveheart takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.

Risk Factors

The Company's business is the exploration, development and production of mineral resources. As the Company's business is in an exploration phase, an investment in securities of the Company involves a high degree of risk. The risk factors discussed below do not necessarily include all risks associated with the business, operations and affairs of the Company.

Exploration Stage Operations

The Company's operations are subject to all of the risks normally incident to the exploration for and the development and operation of mineral properties. Mineral exploration is a business of high inherent risk. All exploration and mining programs face a risk of unknown and unanticipated geological conditions, and promising indications from early results may

not be borne out in further exploration work. A mineral exploration program often requires substantial cash investment, which can be lost in its entirety if it does not result in the discovery of a commercially viable mineral resource.
The commercial viability of a mineral deposit is dependent on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as mineral prices. Most of these factors are beyond the control of the Company. Mineral exploration involves risks which even a combination of careful evaluation, experience, and knowledge cannot eliminate. Development of a producing mine generally requires large capital investment and numerous permits from government regulatory agencies. There is no assurance that the funds required to exploit mineral resources discovered by the Company will be obtained on a timely basis or at all. There is also no assurance that the Company will be able to obtain the required government permits required. The costs and time involved in the permitting process may also delay the commencement of mining operations, or make the development of a producing mine uneconomic.

Financial Needs to Maintain Going Concern Status
To date, the Company has not had any revenues from operations. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain financing to continue exploration, development and commercialize of its properties. There is no certainty that the Company will be able to obtain the financing required to continue its exploration and development activities. Equity financing and related party loans have historically been the Company's source of financing its operations. There can be no assurance that additional financing will be available to the Company, or, if it is, that it will be available on terms acceptable to the Company. If the Company is unable to obtain the financing necessary to support its activities, it may be unable to continue as a going concern.

Competition
The mining industry is intensely competitive in all of its phases, and the Company competes with other companies, some of which have greater technical and financing resources than itself with respect to the ability to acquire properties of merit, the recruitment and retention of qualified employees and other persons to carry out its mineral exploration activities and for financing from third party investors. Competition in the mining industry could adversely affect the Company's prospects for mineral resource exploration in the future and cause the Company to fail to obtain appropriate personnel to pursue its objectives, the financing required to continue its exploration activities or further claims or properties to grow its business and operations.

Title to Properties
While the Company has investigated its titles and all of its claims, the Company cannot guarantee that title to such property and claims will not be challenged or impugned. The Company can never be certain that it will have valid title to its mineral properties. Mineral properties sometimes contain claims or transfer histories that examiners cannot verify, and transfers are often complex.

Environmental Risk
Environmental regulations, among other things, mandate the maintenance of air and water quality standards, land reclamation, transportation, storage and disposal of hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties, more stringent environmental assessments and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation will not adversely affect the Company's operations or inhibit the Company's ability to successfully act to develop its mineral resources.

Dilution to the Company's existing shareholders
The Company will likely require additional equity financing to be raised in the future. The Company may issue securities at terms more favourable than those at which existing shareholders acquired common shares of the Company to raise sufficient capital to fund the Company's business plan. Any transaction involving the issuance of equity securities or securities convertible into common shares would result in dilution, possibly substantial dilution, to present and prospective holders of common shares.

Uninsured or Uninsurable Risks

The Company may become subject to liability for pollution or hazards against which it cannot insure or against which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Additional Information

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com and on the Company's website at www.braveheartresourcesinc.com.