SPHINX

MANAGEMENT'S DISCUSSION AND ANALYSIS

Years ended February 29, 2020 and February 28, 2019

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This Management's Discussion and Analysis ("MD&A") reviews the activities, results of operations and financial position of Sphinx Resources Ltd. ("Sphinx" or the "Corporation") for the fiscal year ended February 29, 2020, together with certain trends and factors that are expected to have an impact in the future. The following abbreviations are used to describe the periods under review throughout this MD&A:

Abbreviation	Period
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 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	September 1, 2019 – November 30, 2019
Q4-20	December 1, 2019 - February 29, 2020
Fiscal 2020	March 1, 2019 – February 29, 2020
Fiscal 2021	March 1, 2020 – February 28, 2021

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 following MD&A should be read in conjunction with the Corporation's audited financial statements for Fiscal 2020, which are prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars, the functional currency of the Corporation, unless otherwise stated. The effective date of this MD&A is June 17, 2020.

The Corporation's projects and their history are disclosed in press releases, technical reports and other continuous disclosure filings which may be viewed on the internet on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and on the Corporation's website at www.sphinxresources.ca.

The technical information contained in this MD&A has been reviewed and verified by Sphinx's Director, Jean Laforest (eng.), who is a qualified person for the purpose of National Instrument 43-101, Standards of Disclosure for Mineral Projects.

1. CORPORATE OVERVIEW

1.1 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.

1.2 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. EXPLORATION PROJECTS

For mineral 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:

	Q4-20	Q4-19	Fiscal 2020	Fiscal 2019
	$	$	$	$
Calumet-Nord				
Project acquisition and maintenance	368	-	100,368	-
Trenching	10,250	-	83,177	-
Geology	4,695		19,218	-
Soil survey	48,775	-	282,169	-
Geophysics	63,518	-	145,108	-
Line cutting	22,420	-	22,420	-
Geochemistry	-	-	7,441	-
Tax credits	(33,550)	-	(33,550)	-
	116,476	-	626,351	-
Calumet-Sud				
Project acquisition and maintenance	-	658	661	924
Drilling	-	492,090	65,229	510,876
Trenching	3,600	22,075	79,494	157,455
Geology	8,218	17,704	70,176	118,074
Geophysics	-	-	-	6,380
Geochemistry	-	4,993	58,767	35,422
Recharge to partner	(2,981)	(265,561)	(131,260)	(412,139)
Tax credits	(1,980)	-	(1,395)	-
	6,857	271,959	141,672	416,992
Tessouat				
Project acquisition and maintenance	-	-	-	433
Geology	-	-	2,923	-
	-	-	2,923	433
Tessouat-Sud				
Project acquisition and maintenance	-	1,139	2,973	1,139
Geology	540	-	50,571	-
Geochemistry	-	-	92	
Tax credits	(121)	-	(121)	-
	419	1,139	53,515	1,139
Obwondiag				
Project acquisition and maintenance	212	-	1,859	-
Geology	-	-	30,842	-
	212	-	32,701	-

2. EXPLORATION PROJECTS (CONT'D)

	Q4-20	Q4-19	Fiscal 2020	Fiscal 2019
	$	$	$	$
Green Palladium				
Project acquisition and maintenance	65	245	1,157	4,484
Geology	425	422	13,644	4,184
Geochemistry	-	-	7,008	-
Tax credits	(95)	-	(95)	-
	395	667	21,714	8,668
Grenville Zinc				
Project acquisition and maintenance	-	-	-	83
Geology	-	-	862	16,650
Geochemistry	-	-	5,724	415
Recharge to partner	-	-	(431)	(8,533)
	-	-	6,155	8,615
Soufflot				
Project acquisition and maintenance	791	-	3,159	-
Geology	3,261	-	9,316	-
Soil survey	-	-	27,098	-
Geochemistry	18,472	-	18,472	-
Tax credits	(4,872)	-	(4,872)	-
	17,652	-	53,173	-
Patrie				
Project acquisition and maintenance	-	-	2,580	-
Soil survey	-	-	625	-
	-	-	3,205	-
Cheechoo-Éléonore Trend				
Project acquisition and maintenance	-	-	-	41,524
Geology	-	-	-	6,396
Geochemistry	-	-	-	130
	-	-	-	48,050
Chemin Troïlus				
Project acquisition and maintenance	-	-	-	4,388
Geology	-	-	-	4,862
		-	-	9,250
Somanike				
Project acquisition and maintenance	-	-	-	557
Geology	-	-	-	970
	-	-	-	1,527
Project Generation				
Geology	-	-	200	358
	-	-	200	358

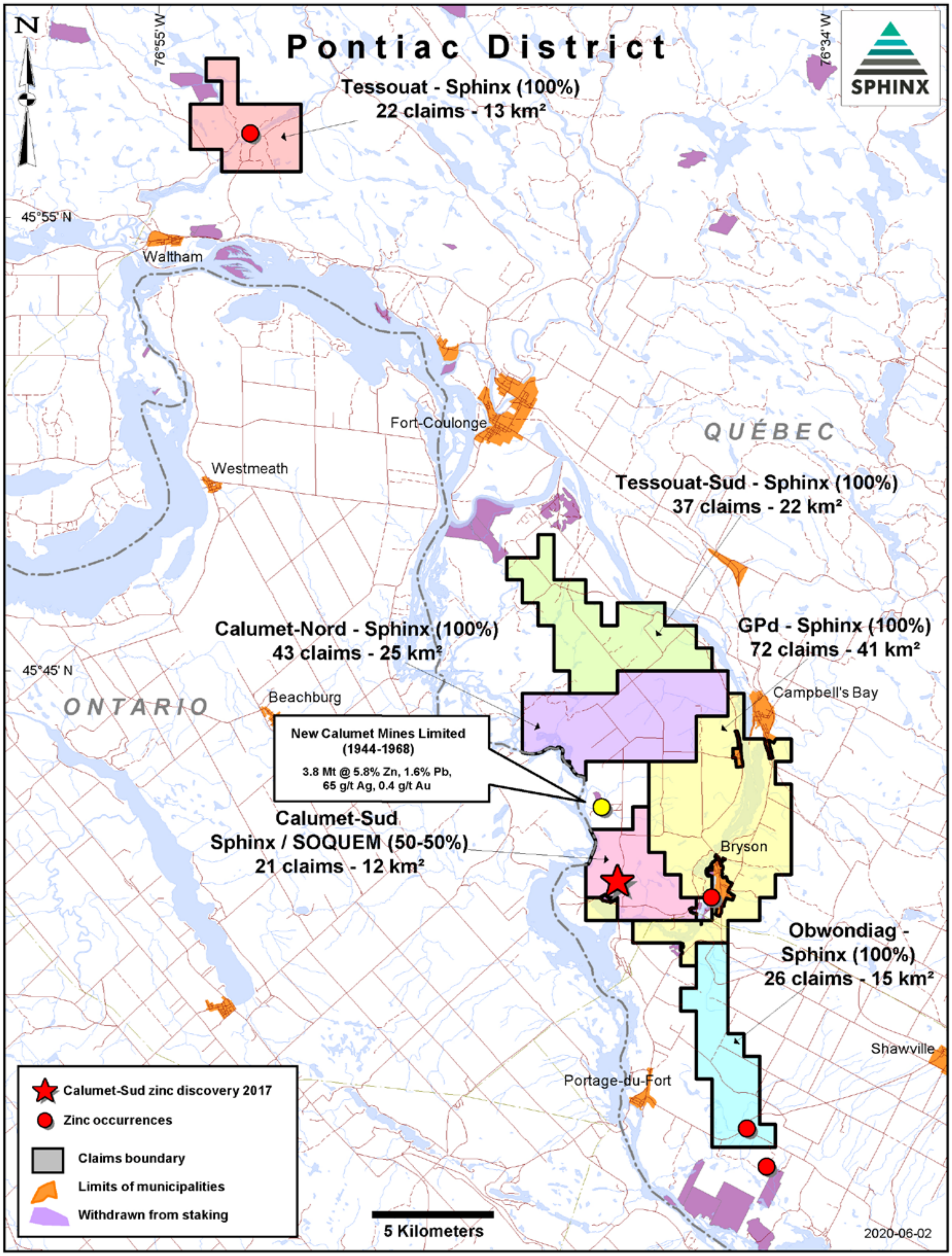
2. EXPLORATION PROJECTS (CONT'D)

	Q4-20	Q4-19	Fiscal 2020	Fiscal 2019
	$	$	$	$
Total				
Project acquisition and maintenance	1,436	2,042	112,757	53,532
Drilling	-	492,090	65,229	510,876
Trenching	13,850	22,075	162,671	157,455
Geology	17,139	18,126	197,752	151,494
Soil Survey	48,775	-	309,892	-
Geophysics	63,518	-	145,108	6,380
Line cutting	22,420	-	22,420	-
Geochemistry	18,472	4,993	97,504	35,967
	184,174	537,284	1,000,576	862,172
Recharged to partners	(2,981)	(265,561)	(131,691)	(420,672)
Tax credits	(40,618)	-	(40,033)	-
Total exploration and evaluation expenditures	**142,011**	**273,765**	**941,609**	**495,032**

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.

2. EXPLORATION PROJECTS (CONT'D)



2. EXPLORATION PROJECTS (CONT'D)

2.1 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 43 claims (24.8 km^2) 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,15 m from 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 30, 2020, and the granting of a 1% net smelter return ("NSR") royalty, 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 a square excavation, 5 m x 5 m in size (the Shea pit), 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. This excavation was discovered by Tranchemontagne in 2018. Analysis of a grab sample from a metric size block from the pit's rubble 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 showings. 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

Sphinx carried out systematic channel sampling on the Shea stripped outcrop. Samples were collected at systematic one-metre intervals along each channel. Collected samples were analyzed by Laboratoire Expert Inc. from Rouyn-Noranda. Channel sampling results support that the copper-gold zone is 8 to 10 metres wide and can be traced across the entire 95-metre length of the exposed outcrop. This early epigenetic volcanogenic mineralization is disseminated in a "dalmatianite", i.e. a sillimanite-muscovite-potassic feldspar-garnet-biotite schist.

2. EXPLORATION PROJECTS (CONT'D)

To establish the extent of the polymetallic gold-bearing volcanogenic system on the Calumet-Nord property, Sphinx had 75.9 kilometres of induced polarization surveys done from October to December 2019 (Tshimbalanga, 2020). This geophysical survey revealed a large number of anomalies, particularly under the Shea stripping and along its extensions. These anomalous axes have never been drill-tested; the same can be said of geophysical anomalies detected near polymetallic mineralization in the vicinity of the Lasalle and Cordierite deposits. In 2019, Sphinx also collected 6,564 soil samples on the Calumet-Nord property. A handheld Niton XRF analyzer was used to detect the geochemical signature of polymetallic mineralization in soils. A sharply defined copper-gold signature was observed in soils and coincides with induced polarization anomalies in the vicinity of the Shea stripping. This high-priority corridor for an upcoming drilling campaign was traced over a distance of two kilometres toward the former New Calumet mine which produced, from 1944 to 1968, 3.8 million tonnes of mineralized material grading 5.8% zinc, 1.6% lead, 0.3% copper, 65 g/t silver and 0.4 g/t gold. Significant gold-bearing zones (see Fig. 4 in the press release dated October 17, 2019) were left behind in the mine, as the latter ceased operations while the price of gold was still fixed at US$35/ounce.

Following these very positive results, Sphinx is considering a drilling campaign to test the numerous polymetallic volcanogenic targets identified on Calumet-Nord. A significant proportion of the drilling targets are located on lands not subject to agricultural zoning and are thus ready to be drill-tested. For targets located on agricultural lands, prior authorization from the Commission de Protection du Territoire Agricole du Québec (CPTAQ) must be obtained before a drilling campaign can be undertaken.

2.2 Calumet-Sud zinc project

a) Project description

The project consists of 21 claims (12.14 km^2) 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.

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, 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.

2. EXPLORATION PROJECTS (CONT'D)

The Corporation has received the approval from the CPTAQ to continue with the next phase of drilling the project, subject to certain conditions.

2.3 Tessouat project

a) Project description

The Tessouat project is located 5 km northeast of the municipality of Waltham in the Pontiac regional county municipality in southwestern Québec, at the northern end the Ziac district. Excellent road access throughout the year is available. On August 1, 2017 and as amended on May 23, 2019, the Corporation entered into an agreement with Ressources Tranchemontagne Inc. ("Tranchemontagne", a company controlled by Michel Gauthier, a director of the Corporation) and Gardin to acquire a 100% undivided interest in 22 claims (1,316 hectares), held by Tranchemontagne. Under the terms of this agreement, Sphinx acquired the project for a consideration that consists of: a cash payment of $26,000 (completed in September 2017); the issuance of 100,000 common shares of Sphinx (valued at $5,500, completed in September 2017); carrying out exploration work totaling $70,000 over a period of two years with work completed prior to September 25, 2021 ($15,263 completed as at February 28, 2019); and the grant of a 2% NSR to Gardin. The project consists of 22 claims (13.16 km^2)

b) Exploration work on the project

No exploration work was done in Fiscal 2020.

2.4 Tessouat-Sud and Obwondiag

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, 37 claims for Tessouat-Sud (22.21 km^2) and 26 claims (15.65 km^2) for Obwondiag 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^2 on the Tessouat-Sud project and 12.9 km^2 on the Obwondiag 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.

2.5 Grenville Zinc

a) Project description

On October 15, 2018, the Corporation signed a definitive agreement to form a 50-50% joint venture with Osisko with the objective to explore for zinc in the Grenville geological province in southern Québec (the "Grenville Zinc Project"). 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.

2. EXPLORATION PROJECTS (CONT'D)

2.6 GPd project

a) Project description

On March 12, 2015, the Corporation signed a definitive agreement with Amixam Resources Inc. ("Amixam") for the acquisition of 100% of the Green Palladium project, located in the Pontiac MRC, adjacent to the Quebec Abitibi-Temiscamingue region. Under the terms of this agreement, the Corporation acquired the Green Palladium project by issuing 4,000,000 common shares, valued at $160,000 based on the Exchange share price of $0.04 on the date of the share issuance. Another 461,536 common shares were issued in February 2016, valued at $6,923 based on the Exchange price of $0.015 on the date of the share issuance. Amixam was granted with a 2% NSR royalty. Michel Gauthier, president of Gardin, was elected director of the Corporation on August 27, 2015. On November 2, 2015, Gardin announced it had acquired from Amixam on a private placement basis for an aggregate purchase price of $75,000 direct ownership of the 4,000,000 common shares of the Corporation and the rights to receive the additional 461,536 shares pursuant to the Green Palladium project acquisition agreement, representing a price of approximately $0.01681 per share of the Corporation. The 2% NSR was also transferred from Amixam to Gardin. The project consists of 72 claims (40.97 km^2).

As at November 30, 2018, the Corporation has satisfied the $750,000 exploration commitments as per the March 12, 2015 definitive agreement, as amended on January 19, 2018 and owns 100% of the GPd project.

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, lithum, 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.

2.7 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 10 claims staked by Sphinx (20.53 km^2).

This project is located in the southern Abitibi Temiscaming region, at the contact between two Archean subprovince, the Pontiac matesedimentary 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.

2. EXPLORATION PROJECTS (CONT'D)

2.8 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 2.8 above.

The Patrie project consists of 2 mining claims with 32 additional claims staked by Sphinx (19.90km^2). This project is located in the Southern Abitibi Temiscamingue regions, at the contact between two Archean subprovince, the Pontiac matesedimentary 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.

2.9 Sale of three gold assets

The Corporation sold, on June 27, 2018, its gold assets (namely the Chemin Troïlus project, Somanike project and its 50% interest in the Cheechoo-Éléonore Trend project) to Canada Strategic Metals Inc. ("Canada Strategic"), pursuant to an April 25, 2018 asset purchase agreement. Immediately after, Canada Strategic merged with Matamec Explorations Inc. ("Matamec") by way of a court approved plan of arrangement (the "Arrangement") to form Québec Precious Metals Corporation ("QPM"). The Corporation received 1,200,000 common shares of QPM (on a post-consolidation basis) (valued at $524,160) in exchange for its gold assets. Contemporaneously, Goldcorp Inc. ("Goldcorp") and *Caisse de dépôt et placement du Québec* invested in QPM through private placements for gross proceeds of $3,701,960 and $1,400,000, respectively. The Corporation incurred $173,883 of transaction costs.

Normand Champigny, CEO of the Corporation at the time of the transaction, became the CEO and a director of QPM, and the interim CEO of Matamec who is also a Director of the Corporation became a Director of QPM. The Corporation's financial advisor for the transaction was Paradigm Capital Inc.

The completion of these transactions was conditional on the approval of the Arrangement by the Québec Superior Court and the shareholders of Matamec, the approval of the Canada Strategic share consolidation by the shareholders of Canada Strategic, the closing of the $3,701,960 Goldcorp investment in QPM, which in turn was conditional on numerous conditions including the raising of gross proceeds of a minimum of $5,000,000 by Canada Strategic and Exchange approval. All of the aforementioned conditions were achieved.

3. SELECTED ANNUAL INFORMATION

	Fiscal 2020	Fiscal 2019	Fiscal 2018
	$	$	$
Financial Results			
Interest income and project management fees	15,090	22,726	11,614
Loss	(1,179,083)	(756,900)	(1,581,470)
Basic and diluted loss per share	(0.01)	(0.01)	(0.02)
Financial Position			
Working capital	(67,915)	953,209	273,158
Total assets	214,092	1,484,792	619,063
Total equity	(67,915)	953,209	316,728

The main variation in loss is explained by the level of exploration and evaluation expenditures (recorded as expenses in the statement of loss): $941,609 in Fiscal 2020, $495,032 in Fiscal 2019 and $880,192 in Fiscal 2018.

4. RESULTS OF OPERATIONS

General and administrative expenses details are as follows:

	Q4-20	Q4-19	Fiscal 2020	Fiscal 2019
	$	$	$	$
Directors fees	15,000	14,000	59,500	50,000
Filing and transfer agent fees	5,099	8,913	29,279	40,901
Management fees	15,037	18,313	73,838	54,013
Office and miscellaneous	7,430	10,110	36,430	33,855
Professional fees	43,504	57,770	89,093	81,752
Promotion	2,532	9,050	39,617	139,524
Salaries and benefits	41,191	29,232	111,880	134,948
Share-based payments	(1,184)	16,813	35,970	50,107
Travel	1,999	12,007	15,565	47,128
General and administration	**130,608**	**176,208**	**491,172**	**632,228**

Finance costs details are as follows:

	Q4-20	Q4-19	Fiscal 2020	Fiscal 2019
	$	$	$	$
Accretion of convertible debentures	-	-	-	13,372
Common shares issued in lieu of interest payment on convertible debentures	-	-	-	14,696
Finance costs	**-**	**-**	**-**	**28,068**

4. RESULTS OF OPERATIONS (CONT'D)

4.1 Discussion on Q4-20 financial position and results of operations

For Q4-20, the Corporation reported a loss and comprehensive loss of $226,426 (Q4-19 – loss of $258,024). The Corporation's loss per share was $0.002 (Q4-19 – loss per share of $0.002).

See Section 2 for details of the exploration work done on the different projects totalling $142,011 (Q4-19 – $273,765).

During Q4-20, general and administrative expenses decreased to $130,608 (Q4-19 - $176,208) and highlights are as follows:

- Professional fees. Initiatives were taken to reduce professional fees occurring in the Q4.
- Salaries. Sphinx hired exploration staff and their salaries and benefits are recharged to the projects based on a daily rate which considers their overall compensation; there may be timing with vacations and other considerations.
- Share-based payment. Stock options were granted as follows 1,775,000 in August 2018, 750,000 in January 2019, 175,000 in May 2019 and 350,000 in August 2019. The share-based payment is recording according to the vesting period.

Change in fair value – listed shares. In Q4-20, a $19,114 favorable change in fair value – listed shares was recorded ($76,030 in Q4-19) on the QPM shares obtained in June 2018 following the sale of three gold projects (see section 2.9). As of February 29, 2020, Sphinx holds 304,500 shares.

Current tax recovery. In Q2-20, $8,356 credit on duty refundable was accrued on eligible exploration expense not renounced to investors. In Q4-19, the Corporation reversed a $15,248 provision on credits on duties refundable for losses; based on recent tax audits, management assessed this provision was not required anymore.

Flow-through share premium of $18,407 ($86,050 in Q4-19) was recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 2018 and May 2019 private placements (in Q4-19, for the July 2019 and December 2018 private placements).

4.2 Discussion on Fiscal 2020 financial position and results of operations

For Fiscal 2020, the Corporation reported a loss and comprehensive loss of $1,179,083 (Fiscal 2019 - $756,900). The Corporation's loss per share was $0.01 (Fiscal 2019 - $0.01).

See Section 2 for details on the exploration work done on the different projects totalling $941,609 in Fiscal 2020 (Fiscal 2019 – $495,032).

General and administrative expenses decreased to $491,172 in Fiscal 2020 (Fiscal 2019 - $632,228) and highlights are as follows:

- Management fees. The CFO was more involved in the management of the Corporation's activities.
- Promotion. In Fiscal 2019, several actions were launched to increase awareness of the Corporation's activities, while the level of promotion activities in Fiscal 2020 was lower. In June 2018, the Corporation had engaged FronTier Flex Marketing to assist in increasing market awareness for a 12-month period at $87,000.

4. RESULTS OF OPERATIONS (CONT'D)

- Salaries and benefit. The current CEO, Jeremie Ryan, was nominated in December 2019 and has a different compensation package than the previous CEO.
- Share-based payment. Stock options were granted as follows: 1,775,000 in August 2018, 750,000 in January 2019, 175,000 in May 2019 and 350,000 in August 2019. The share-based payment is recording according to the vesting period.
- Travel. Less travel was done by the current CEO.

In Fiscal 2019, a $350,227 net gain was recorded on the disposal of three gold projects to QPM (section note 2.4). An unfavourable change in fair value of $50,252 ($118,130 in Fiscal 2019) on the listed shares received from QPM was recorded. As of February 29, 2020, Sphinx holds 304,500 shares.

On October 18, 2018, the Corporation reached an agreement with SIDEX and issued, at a deemed price per common share of $0.05, 3,000,000 common shares in settlement of the principal in the amount of $150,000 and 293,918 common shares were issued as settlement of the accrued interest.

In Fiscal 2020, $8,356 credit on duty refundable was accrued on eligible exploration expense not renounced to investors. In Fiscal 2019, the Corporation reversed a $15,248 provision on credits on duties refundable for losses; based on recent tax audits, management assessed this provision was not required anymore.

In Fiscal 2020, a $280,504 ($128,307 in Fiscal 2019) recovery of deferred income taxes was recognized to record the amortization, in proportion of the work completed, of the premium related to flow-through shares renunciation following the December 2018 and May 2019 private placements (in Fiscal 2019 for the June-July and December 2018 private placements.

5. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Corporation recorded a loss of $1,179,083 in Fiscal 2020 and has an accumulated deficit of $73,799,220 as at February 29, 2020. In addition to ongoing working capital requirements, the Corporation must secure sufficient funding to meet its other obligations, existing commitments for the exploration and evaluation programs and pay general and administrative costs. As at February 29, 2020, the Corporation had a working capital deficiency of $67,915 versus a positive working capital of $953,209 as at February 28, 2019.

While the Corporation has secured financing in the past, there can be no assurance it will be able to do so in the future or that these sources of funding or initiatives will be available for the Corporation or that they will be available on terms which are acceptable to the Corporation, especially in the Covid-19 pandemic outbreak context. The extent and duration of impacts that the coronavirus may have on the Corporation's operations including suppliers, service providers, employees and on global financial markets is not known at this time. The Quebec Government has announce the resumption of mining exploration works starting May 11, 2020, and the Corporation will have to follow the measures that were recommended by the Institut national de la santé publique du Québec, amongst them: limit the number of people in contact with local populations, limit travel, maximize teleworking for non-essential personnel to the operation of the exploration site; send the management plan to the regional public health department and communicate with regional authorities (MRC or city).

The Corporation is monitoring developments in order to be in a position to take appropriate actions as needed. If new funding is not obtained, the Corporation may be unable to continue its operations, and amounts realized for assets might be less than amounts reflected in these financial statements and this could have a significant impact on the financial position of the Corporation, its financial performance and its cash flows.

5. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES (CONT'D)

Major sources of cash during Fiscal 2020 were the issuance of units for $71,500 and flow-through shares for $120,250. Also the Corporation cashed $327,263 of Québec refundable credits on mining duties and of refundable tax credit for resources. Finally, $132,200 was generated through the sale of QPM shares. The Corporation used cash flows in operating activities for $1,029,065 mainly as follows: $941,609 for exploration and evaluation expenditures (see section 2) and $455,202 for general and administration ($491,172 less $35,970 share-based payments (see section 4)).

Major sources of cash during Fiscal 2019 were the issuance of units for $655,000 and flow-through shares for $992,830. Also the Corporation cashed $114,901 of Québec refundable credits on mining duties and of refundable tax credit for resources. Finally, $145,930 was generated through the sale of QPM shares. The Corporation used cash flows in operating activities for $993,048 mainly as follows: $495,032 for exploration and evaluation expenditures (see section 2) and $582,121 for general and administration ($632,228 less $50,107 share-based payments (see section 4)).

5.1 Cash flow projection

Following is a table showing the cash flow projection up to February 28, 2021. This projection is prospective information.

	Up to February 28, 2021
	$
February 2020 cash and cash equivalent	45,000
Tax credits to be received	49,000
June 2020 financing closed	70,000
Projected financing (including $200,000 are flow through financing)[1]	600,000
Sale of QPM shares	93,000
Covid loan - obtained	40,000
Timing GST QST	30,000
February 2020 payables	(282,000)
Share for debt Paradigm	58,000
Share issue expenses	(44,000)
Exploration budget	(200,000)
Claim maintenance and Calumet Nord payment	(108,000)
General and administrative expenses	(300,000)
February 2021 projected cash and cash equivalent	51,000

1) While the Corporation has secured financing in the past, there can be no assurance it will be able to do so for the projected financings.

6. SELECTED QUARTERLY INFORMATION

The following table presents selected financial information for each of the most recent eight quarters:

	Q4-20	**Q3-20**	**Q2-20**	**Q1-20**
	$	**$**	**$**	**$**
Interest income and project management fees	316	1,625	3,431	9,718
Loss	(226,426)	(383,400)	(296,134)	(273,123)
Loss per share	(0.002)	(0.003)	(0.002)	(0.002)
Working capital	(67,915)	159,695	536,289	818,901
Total assets	214,092	367,993	859,663	1,390,597

6. SELECTED QUARTERLY INFORMATION (CONT'D)

	Q4-19	Q3-19	Q2-19	Q1-19
	$	$	$	$
Interest income and project management fees	14,621	5,794	1,523	788
Earnings (loss)	(258,024)	(214,014)	32,993	(317,855)
Earnings (loss) per share	(0.002)	(0.002)	-	(0.004)
Working capital	953,209	393,125	388,777	44,697
Total assets	1,484,792	868,183	824,616	425,475

Highlights for each quarter are as follows.

Q4-20

To establish the extent of the polymetallic gold-bearing volcanogenic system on the Calumet-Nord property, Sphinx had 75.9 kilometres of induced polarization surveys done from October to December 2019 (Tshimbalanga, 2020).

Q3-20

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

Sphinx collected 6,564 soil samples on the Calumet-Nord property.

Q2-20

On June 14, 2019, the Corporation signed an option agreement for the Calumet-Nord project with Ressources Tranchemontagne ltée ("Tranchemontagne"), that provides the option may be exercised by the Corporation 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 ('NSR") royalty interest, which can be bought back by the Corporation at any time in exchange of a payment of $1,000,000 in cash. Tranchemontagne is a wholly-owned subsidiary of Gardin Inc. ("Gardin"), a corporation controlled by Michel Gauthier, a director of the Corporation.

On June 14, 2019, the Corporation entered into an agreement with Tranchemontagne to acquire a 100% undivided interest in the Soufflot and Patrie projects. Under the terms of this agreement, the Corporation 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.

Q1-20

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 consist 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 on May 14, 2019, 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.

6. SELECTED QUARTERLY INFORMATION (CONT'D)

Q4-19

In December 2018, the Corporation closed a private placement totalling $405,000 by issuing 8,100,000 units at a price of $0.05 per unit $761,980 by issuing 11,722,769 flow-through shares at a price of $0.065 per flow- through share.

Q3-19

On October 15, 2018, the Corporation signed a definitive agreement to form a 50-50% joint venture with Osisko with the objective to explore for zinc in the Grenville geological province in southern Québec.

On October 18, 2018, the Corporation reached an agreement with SIDEX and issued, at a fair value of $0.05 per common share, 3,000,000 common shares in settlement of the convertible debenture principal in the amount of $150,000 and 293,918 common shares were issued as settlement of the accrued interest.

Q2-19

On June 15, 2018, the Corporation closed a private placement totalling $250,000 by issuing 5,000,000 common shares at a price of $0.05 per common share. In addition on June 15 and July 13, 2018, the Corporation closed a private placement totalling $230,850 by issuing 3,551,538 flow-through shares at a price of $0.065 per flow-through share.

On June 27, 2018, the Corporation sold its gold assets (namely the Chemin Troïlus project, Somanike project and its 50% interest in the Cheechoo-Éléonore Trend project) to Canada Strategic, pursuant to an April 25, 2018 asset purchase agreement. Immediately after, Canada Strategic merged with Matamec by way of a court approved plan of arrangement to form QPM. The Corporation received 1,200,000 common shares of QPM valued at $524,160.

In Q2-19, the Corporation generated an income of 32,993 due to the QPM transaction.

7. SUBSEQUENT EVENTS TO FEBRUARY 29, 2020

7.1 Share for debt

On May 15, 2019, the Corporation reached an agreement with a service provider to issue, subject to prior approval of the Exchange, an aggregate of 1,149,740 common shares at a price per common share of $0.05 in settlement of an aggregate of $57,487 of outstanding accounts payable The shares will be issued once the shares of the Corporation trade at a price of at least $0.05 on the Exchange for 5 days.

7.2 $40,000 Covid loan

The Corporation applied for and received on April 30, 2020, the $40,000 Canada Emergency Business Account ("CEBA") which is an interest-free loan to cover operating costs which was offered in the context of the Covid-19 pandemic outbreak. Repaying the balance of the loan on or before December 31, 2022 will result in a loan forgiveness of $10,000. On December 31, 2022, the Corporation has the option to extend for 3 years the loan and it will bear a 5% interest rate.

7. SUBSEQUENT EVENTS TO FEBRUARY 29, 2020 (CONT'D)

7.3 Private placements

On June 11, 2020, the Corporation closed a private placement totalling $65,250 by issuing 2,175,000 units at a price of $0.03 per unit. Each unit is comprised of one common share and one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share at a price of $0.05 until June 11, 2023.

Also on June 11, 2020, the Corporation closed a private placement totalling $5,000 by issuing 100,000 flow-through units at a price of $0.05 per flow-through unit. Each flow-through unit is comprised of one flow-through common share and one half common share purchase warrant. Each whole common share purchase warrant entitles the holder to purchase one common share at a price of $0.07 until June 11, 2023.

8. RELATED PARTY AND KEY MANAGEMENT TRANSACTIONS

In the normal course of operations, in Fiscal 2020:

- Jeremie Ryan charged $2,000 in Fiscal 2019 during the one month period when he was vice president corporate development.
- Ingrid Martin CPA Inc., ("IMCPA") a company controlled by Ingrid Martin, CFO and corporate secretary, charged $73,838 ($52,013 in Fiscal 2019) of management fees and $2,437 of fees charged to share issue expenses ($4,013 in Fiscal 2019). Also $23,020 ($18,594 in Fiscal 2019) was charged for professional fees for the IMCPA's staff.
- Gardin, a company controlled by Michel Gauthier, charged exploration expenditures of $33,439 ($45,153 in Fiscal 2019). This company also paid $52,380 for professional fees of Michel Gauthier ($110,500 in Fiscal 2019).
- As at February 29, 2020, the balance due to the related parties and key management amounted to $96,431 ($41,425 as at February 28, 2019). Amounts due to related parties are unsecured, non-interest bearing.

9. OUTSTANDING SHARE DATA

The Corporation had the following securities issued and outstanding:

	June 17, 2020	**February 29, 2020**
Shares	128,459,261	126,184,261
Stock options	4,325,000	4,325,000
Warrants	8,234,000	6,009,000
	141,018,261	**136,518,261**

In addition, on May 15, 2019, the Corporation reached an agreement with a service provider to issue, subject to prior approval of the Exchange, an aggregate of 1,149,740 common shares at a price per common share of $0.05 in settlement of an aggregate of $57,487 of outstanding debt. The shares will be issued once a 5-day VWAP of $0.05 is reached on the Exchange.

10. STOCK OPTION PLAN

The purpose of the stock option plan is to serve as an incentive for the directors, officers and service providers who will be motivated by the Corporation's success as well as to promote ownership of common shares of the Corporation by these people. There is no performance indicator relating to profitability or risk attached to the plan. The maximum number of common shares that can be issued upon exercise of stock options granted under the Stock Option Plan was increased from 4,700,000 to 9,900,000 common shares on August 31, 2018. Such number represents less than 10% of the total number of shares issued and outstanding and the amendment was approved by the Exchange.

On January 16, 2019, the Corporation granted 750,000 stock options to Mr. Ryan. The stock options have an exercise price of $0.10 with an expiry date of January 16, 2029, vesting 1/3 on the date of grant, 1/3 on the first anniversary of the grant and 1/3 on the second anniversary.

On May 17, 2019, the Corporation granted 175,000 stock options to Lawrence Cannon at an exercise price of $0.10 with an expiry date of October 13, 2026, vesting 1/3 on the date of grant, 1/3 on the first anniversary of the grant and 1/3 on the second anniversary.

On August 29, 2019, the Corporation granted 350,000 stock options to directors at an exercise price of $0.10 with an expiry date of August 29, 2029, vesting 1/3 on the date of grant, 1/3 on the first anniversary and 1/3 on the second anniversary.

11. CHANGES IN ACCOUNTING POLICIES

In January 2016, the IASB issued IFRS 16. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, which is the customer ("lessee") and the supplier ("lessor"). IFRS 16 replaces IAS 17 *Leases*, and related interpretations. Save for short term leases and leases of low value assets, all leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 will eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Applying that model, a lessee is required to recognize:

- assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and
- depreciation of lease assets separately from interest on lease liabilities in the statement of loss and comprehensive loss.

The new standard is effective for annual periods beginning on or after January 1, 2019. The Corporation does not have any lease affected by IFRS 16 as of February 28, 2019 and February 28, 2020 and has adopted the new standard for the year beginning March 1, 2019.

12. FINANCIAL INSTRUMENTS

Refer to note 13 of the Fiscal 2020 financial statements.

13. OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has not engaged in any off-balance sheet arrangements.

14. RISKS AND UNCERTAINTIES

The business of exploration and mining involves a high degree of risk and there can be no assurance that the Corporation's exploration programs will result in profitable mining operations. Companies in this industry are subject to a variety of risks, including but not limited to, environmental and social acceptability issues, commodity prices, political and economic instability, with some of the most significant risks being:

a) Substantial expenditures are required to explore for mineral resources and the chances of identifying economically recoverable reserves are extremely remote;
b) Even if the Corporation's exploration programs are successful, factors beyond the control of the Corporation may affect marketability of any minerals discovered. Metal prices have historically fluctuated widely and are affected by numerous factors beyond the Corporation's control, including international, economic and political trends, expectations for inflation, currency exchange fluctuations, interest rates, global or regional consumption patterns, speculative activities and worldwide production levels. The effect of these factors cannot accurately be predicted.
c) Substantial expenditures are required to develop mineral reserves;
d) The junior resource market, where the Corporation raises funds, is extremely volatile and there is no guarantee that the Corporation will be able to raise funds as it requires them;
e) Although the Corporation has taken steps to verify ownership and legal title to the mineral projects in which it has an interest, according to the usual industry standards for the stage of exploration and development of such projects, these procedures do not guarantee the Corporation's title. Such projects may be subject to prior agreements or transfers and title may be affected by undetected defects;
f) The Corporation is subject to the laws and regulations relating to environmental matters, including provisions relating to reclamation, discharge of hazardous materials and other matters. The Corporation conducts its exploration activities in compliance with applicable environmental protection legislation and is not aware of any existing environmental problems related to its projects that may cause material liability to the Corporation;
g) Hazards such as unusual geological conditions are involved in exploring for and developing mineral deposits. The Corporation may become subject to liability for pollution or other hazards, which cannot be insured against or against which the Corporation may elect not to insure because of high premium costs or other reasons. The payment of any such liability could result in the loss of Corporation assets or the insolvency of the Corporation;
h) The Corporation's operations may require licenses and permits from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects;
i) No assurance can be made that Canada Revenue Agency and provincial agencies will agree with the Corporation's characterization of expenditures as Canadian exploration expenses or Canadian development expense or the eligibility of such expenses as Canadian exploration expense under the Income Tax Act (Canada) or any provincial equivalent.
j) Mining and milling operations are subject to government regulations. Operations may be affected in varying degrees by government regulations such as restrictions on production, price controls, tax and mining duty increases, expropriation of property, pollution controls or changes in conditions under which minerals may be mined, milled or marketed. The marketability of minerals may be affected by numerous factors beyond the control of the Corporation, such as government regulations. The Corporation undertakes exploration in areas that are or could be the subject of native land claims. Such claims could delay work or increase exploration costs. The effect of these factors cannot be accurately determined.
k) The mining industry is intensely competitive in all its phases. The Corporation competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral interests as well as for recruitment and retention of qualified employees.
l) The Corporation faces risks related to health epidemics and other outbreaks of communicable diseases, which could significantly disrupt, directly or indirectly, its operations and may materially and adversely affect its business and financial conditions;
m) Management of the Corporation rests on a few key officers, the loss of any of whom could have a detrimental effect on its operations;

14. RISKS AND UNCERTAINTIES (CONT'D)

n) Certain directors and officers of the Corporation are also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time. The directors or officers of the Corporation are required by law to act honestly and in good faith with a view to the best interests of the Corporation and to disclose any interest, which they may have in any project or opportunity of the Corporation. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Corporation will participate in any project or opportunity, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

15. FORWARD-LOOKING STATEMENTS

This management's discussion and analysis contains forward looking statements reflecting Sphinx's objectives, estimates and expectations. These statements are identified by the use of verbs such as ''believe'', ''anticipate'', ''estimate'', and ''expect''. As well as the use of the future or conditional tense. By their very nature, these types of statements involve risk and uncertainty. Consequently, results could differ materially from the Corporation's projections or expectations.

June 17, 2020

(s) Jeremie Ryan
Jeremie Ryan
Chief Executive Officer

(s) Ingrid Martin
Ingrid Martin
Chief Financial Officer