



HINTERLAND METALS INC.

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INTERIM MANAGEMENT'S DISCUSSION AND ANALYSIS QUARTERLY HIGHLIGHTS

Three months ended March 31, 2018

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The following interim management discussion and analysis – quarterly highlights (the “MD&A Highlights”) of the financial condition and results of the operations of Hinterland Metals Inc. (“Hinterland” or “the Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the three months ended March 31, 2018 (“Q1-18”). This MD&A should be read in conjunction with the Company’s financial statements for Q1-18 and related notes and the annual MD&A as of December 31, 2017. The financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) and reported in Canadian dollars unless otherwise stated. Further information regarding the Company and its operations are filed electronically on the System for Electronic Document Analysis and Retrieval (SEDAR) in Canada and can be obtained from www.sedar.com.

1. NATURE OF ACTIVITIES

Hinterland is a mineral exploration company engaged in the acquisition and exploration of mineral resource properties. The Company is currently focusing its exploration activities within Canada on precious and base metal prospects, in Quebec and Ontario, and continues to evaluate, and will acquire, additional properties, as capital and opportunities present themselves.

2. OVERVIEW

The Company is pursuing financing alternatives to fund its operations and to continue its activities as a going concern. As of March 31, 2018, the Company had a negative working capital of \$10,669 (positive \$47,680 on December 31, 2017).

The expected exploration budget for 2018 is \$1.5 million subject to successful financing.

The Company reported a net loss of \$58,349 (net income of \$24,414 in Q1-17). The Company continues to restrain its administrative expenses. In Q1-17, the disposal of exploration properties generated a \$25,813 gain (none in Q1-18). In addition, a \$11,702 unfavorable change in value of listed shares was recorded (\$30,000 favorable in Q1-17), mostly relating to the shares received from Beaufield Resources Inc. and Meteoric Resources NL as part of the sale of the Lockout and Belleterre respectively.

On May 23, 2018, the Board of Directors approved the following warrants extensions, subject to the Exchange approval:

Number of shares to be issued	Exercise price	Issuance date	Expiry date prior to the extension	Extended expiry date
	\$			
900,000	0.10	May 27, 2014	May 27, 2018	May 27, 2019
590,000	0.10	June 13, 2014	June 13, 2018	June 13, 2019
7,750,000	0.10	Aug. 17, 2016	Aug. 17, 2018	Aug. 17, 2021
920,000	0.10	Sept. 7, 2016	Sept. 7, 2018	Sept. 7, 2021

3. OUTLOOK FOR 2018

Hinterland is focused on gold in the Abitibi Greenstone Belt (the “Abitibi”), which is Canada's most prolific mining region both in terms of historic and current mineral production. Over one hundred mines have contributed to impressive historical production statistics that include 18 billion pounds (8.2 million tonnes) of copper, 35 billion pounds (15.9 million tonnes) of zinc, 161 million ounces of gold and 900 million ounces of silver.

The Quebec Abitibi offers a better jurisdiction compared to the Ontario side due to strong government support for exploration and mining. This includes refundable tax credits, sensible permitting, proactive relations with First Nations, and access to low-cost hydroelectric power. Moreover the Quebec Abitibi is marked by perhaps the cheapest per metre drill costs in the world. Hinterland maintains an exploration office in Val-d’Or, Quebec where a full range of exploration services and supplies are available.

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3. OUTLOOK FOR 2018 (CONT'D)

Hinterland is an explorer in spirit and unequivocally not a producer. However its guiding principle when selecting projects is a realistic path to production. Hinterland's mandate is to develop projects to the point where they are attractive to a mining company that has the administrative, financial, technical and operational capacity to put a gold deposit into production. Val-d'Or has surplus milling capacity at a number of facilities, and an extensive road network for hauling ore to these mills. Hinterland does not need to discover and develop a "world-class" gold mine. It only needs to define sufficient gold reserves that are attractive as an acquisition for a mining company with established operational capability in the Abitibi.

Hinterland's most recent acquisition fits very well with the Company's guiding principles outlined above. The Destiny property is an advanced gold project with an established gold resource located only 75 km from Val-d'Or. It will be at the centre of Hinterland's "Radius 100" strategy that will also see exploration work carried out at the drill ready Mozart, Guyberry and Tardiff gold projects. These properties all lie within a 100 km radius of Destiny and as such are mutually beneficial in terms of operations and logistics.

In the longer term, Hinterland will continue to generate and explore projects in other areas of Quebec where there is a clear path to production. This work will include the Skyfall Gold project located near Osisko Mining's advanced Windfall Gold project in the Barry-Urban Greenstone belt. It will also include the four projects in the Eeyou Istchee James Bay area where Goldcorp's Eleonore gold mine produced 305,000 ounces of gold in 2017 at an all-in sustaining cost of US\$1,095 per ounce. With reserves of 7.13 million ounces Eleonore promises to anchor gold production in the Eeyou Istchee James Bay area for many years.

4. EXPLORATION ACTIVITIES

Details of exploration and evaluation assets for the three months ended March 31, 2018

Areas of interest	Quebec	Total
	\$	\$
Balance, January 1, 2018	535,722	535,722
Balance, March 31, 2018	535,722	535,722

Details of exploration and evaluation assets for three months ended March 31, 2017

Areas of interest	Quebec	Ontario	New Brunswick	Total
	\$	\$	\$	\$
Balance, January 1, 2017	569,229	-	3,920	573,149
Acquisitions of mining rights:				
Staking and maintenance fees	4,578	27,764	-	32,342
Exploration and evaluation expenses:				
Surface exploration	-	3,488	-	3,488
Disposal	(3,187)	-	-	(3,187)
Balance, March 31, 2017	570,620	31,252	3,920	605,792

Mark Fekete (B.Sc., P.Geo.), President, CEO and a director of Hinterland, a qualified person under National Instrument (NI) 43-101, has reviewed the following technical disclosure.

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4. EXPLORATION ACTIVITIES (CONT'D)

a) Destiny Gold Project

On May 15, 2018, Hinterland entered into an agreement with Alto Ventures Ltd. (ATV:TSX-Venture) ("Alto"), whereby Hinterland may earn an interest in Alto's 101-claim (4,010-hectare) Destiny property (the "Property") located approximately 75 kilometres ("km") north of Val-d'Or in the Abitibi Region of Quebec. An all-season paved road provides direct access to the Property. Excellent mining infrastructure and support facilities are locally available.

The most important feature of the Property is the "DAC" deposit that is made up of higher grade gold-bearing quartz veins occurring within five parallel, altered shear zones that also carry gold at lower grades. In January 2011, a "Resource Estimate" report ⁽¹⁾ calculated the gold content of the five parallel, altered shear zones in compliance with NI43-101 standards. The estimate used data from 68 of the total 167 holes drilled on the Property to date. At a cut-off grade of 1.0 grams per tonne gold ("gpt Au") from approximately 15 metres ("m") below surface to a depth of 400m, the DAC deposit was estimated to include:

- 3,858,800 tonnes at average grade of 1.71gpt Au Indicated (212,310 ounces gold); and
- 2,521,400 tonnes at an average grade of 1.53gpt Au Inferred (124,390 ounces gold).

Mineral resources are not mineral reserves and by definition do not demonstrate economic viability. The Resource Estimate used a number of variable parameters including stripping ratio, operating costs, long term gold price, currency conversion, gold recovery etc. The Resource Estimate report is available for viewing on Alto's SEDAR profile.

The DAC Deposit is one of several significant gold occurrences on the Property along the Despinassy Shear Zone: a gold bearing structure that has been traced by drilling and geophysics for 6.0km of strike length on the Property. Some of the better defined zones include the "Darla", located approximately 1.0km east of the DAC Deposit, and the "20" and "21" zones, located 3.5km east of DAC Deposit. Gold mineralization was also found in a drill hole located 1.0km west of the DAC deposit but has not been followed up.

Pursuant to the Agreement, Hinterland may earn a 50% interest in the Property by paying \$150,000 cash, issuing up to 4,000,000 shares and completing \$8,000,000 of exploration expenditures in stages over a three-year period (the "First Option") as follows:

Date	Cash	Common shares	Exploration expenditures
	\$		\$
On the Financing Date	10,000	100,000	-1
on or before first anniversary	15,000	500,000	1,500,000
on or before second anniversary	25,000	1,000,000	2,250,000
on or before third anniversary	100,000	2,400,000	4,250,000
	150,000	4,000,000	8,000,000

(1) The Resource Estimate was filed on SEDAR by Alto on March 7, 2011 in a previous technical report entitled "NI 43-101 Technical Report and Resource Estimate of the DAC Deposit, Destiny Property, Quebec" by Todd McCracken, P.Geo., with an effective date of March 1, 2011 (the "Technical Report"). It was prepared for Alto on behalf of Alto and its then joint venture partner Pacific Northwest Capital Corp. The previous Technical Report was reviewed by Mark Fekete, P.Geo. as the designated qualified person on behalf of Hinterland. To the best of the Hinterland's knowledge, information and belief, there is no new material scientific or technical information that would make the disclosure of the Resource Estimate inaccurate or misleading. Hinterland cannot rely upon the disclosure record of another issuer. Hinterland intends on filing a technical report under its name supporting the disclosure of the Resource Estimate within 180 days of Hinterland's press release dated May 15, 2018.

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4. EXPLORATION ACTIVITIES (CONT'D)

Upon completion and exercise of the First Option, Hinterland may elect to earn an additional 25% interest (the "Additional 25% Interest") by paying \$200,000 cash, issuing up to 4,000,000 shares and completing \$8,000,000 of exploration expenditures in stages over a two-year period (the "Second Option").

Upon earning the Additional 25% Interest and exercising the Second Option, Hinterland and Alto will form a joint venture with initial respective participating interests to be 75% and 25%. If Hinterland elects not to earn the Additional 25% Interest or if Hinterland fails to complete the Second Option, then Hinterland and Alto will form a joint venture with initial respective participating interests to be 50% and 50%. In either case, the joint venture will be funded by each partner according to their respective interests subject to the terms and conditions of a joint venture agreement. The transaction is subject to completion of due diligence, regulatory approvals, and a private placement financing of at least \$750,000 by Hinterland on or before June 30, 2018.

Hinterland intends to start the first phase of exploration work immediately upon completion of the financing. To begin with, detailed geological modelling will be done on the DAC deposit and other gold-bearing zones on the Property. This will be followed by an initial 5,000m drill program in September 2017. The cost estimate for this work is \$675,000.

b) Mozart Gold-VMS Project, Quebec

The 83-claim Mozart property covering 3,379 hectares is located approximately 60km northeast of Val-d'Or, Quebec. Hinterland holds the property 100%, subject to a 2.5% royalty interest payable to the original property vendors. Hinterland will have the right to purchase 1.5% of the royalty interest for \$1 million and will have a right of first refusal on the remaining 1%. The property covers an under-explored, 10 kilometre-long segment of the Carpentier-Courville deformation corridor, which is known for both shear-hosted gold and volcanic massive sulphide (VMS)-type deposits. Previous geophysical surveys completed by Hinterland have identified 11 new target areas that show potential to be shear-type gold structures and/or VMS-type horizons. The Company intends to investigate these targets with drilling in 2018. It is currently seeking equity or joint venture financing to fund the drilling estimated to cost \$100,000.

c) Guyberry Gold Project, Quebec

Hinterland holds a 100% interest in the 53-claim (2,178-hectare) Guyberry property, located in Guyenne and Berry townships approximately 95km northwest of Val-d'Or, Quebec. The property covers a volcanic-intrusive contact marked by the southeast-trending, regional scale Chicobi Deformation Zone ("CDZ"). Previous geophysical surveys completed by Hinterland have identified a narrow resistivity high extending over 1.6km along this contact coincident to the boundary between two magnetic domains. Of particular interest is a 400m segment of the resistivity high that is bounded by two crosscutting, northeast-trending faults. This 400m segment is inferred to be a dilation zone within the CDZ. It is well documented that dilation zones along major fault structures allow for circulation of mineral-rich fluids, and are favourable for the precipitation of gold-bearing quartz-carbonate veins, breccias and stockworks. Hinterland intends to drill test this target in 2018, and is currently seeking equity or joint venture financing to fund this work estimated to cost \$100,000.

d) Tardif Gold, Québec

Hinterland holds a 100% interest in the 14-claim (783-hectare) Tardif property located approximately 50km north of Quevillon in the Abitibi Region of Quebec. These claims were staked to cover a segment of a regional scale banded iron formation that is known in places to contain significant gold mineralization. Hinterland has generated a high-confidence drill target by re-interpreting proprietary geophysical data, and is seeking equity or joint venture financing to drill the target in 2018 at an estimated cost of \$100,000.

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4. EXPLORATION ACTIVITIES (CONT'D)

e) Ebay PGE Project, Quebec

Hinterland holds a 100% interest in the 10-claim (520-hectare) Ebay PGE property located 30km southeast of Matagami in the Abitibi Region of Quebec. The claims cover an area where Hinterland previously intersected encouraging PGE values in drilling. Hinterland is seeking joint venture or equity financing to fund a program of re-mapping, prospecting and sampling a number of trenches excavated in 2008. The estimated cost of the exploration is \$10,000.

f) Skyfall Gold, Quebec

Hinterland holds a 100% interest in the 102-claim (5,750-hectare) Skyfall Gold property in two blocks within the Barry-Urbain Greenstone belt located in the eastern part of the Abitibi Sub-province. Skyfall is directly adjacent to Osisko Mining Inc.'s Windfall property and is likewise underlain by a series of northeast-trending, southeast-dipping, tholeiitic volcanic rocks. The volcanic stratigraphy is intersected by numerous faults, either sub-parallel to the stratigraphy or northeast-trending at a high angle to the stratigraphy. The volcanic rocks are in places intruded by syn-volcanic to late (post mineralization) intrusions. Osisko's Windfall project is the most advanced project in the belt with an 800,000-metre deposit definition drilling program currently underway. Bonterra Resources Inc. is the second most active company in the area with a 40,000-metre drill program underway at its Gladiator project. The Skyfall claims, located approximately 40km due east of the Windfall and Gladiator projects, have seen limited previous exploration work with only one documented drill hole. Hinterland is seeking joint venture or equity financing to fund an airborne geophysical survey followed by surface mapping, prospecting and sampling. The estimated cost of the exploration is \$200,000.

g) Eeyou Istchee James Bay Gold, Quebec

Hinterland holds a 100% interest in a strategic portfolio of four properties in the Eeyou Istchee James Bay area of Quebec. The properties are in close proximity to the tectonic contact between the Opinaca and La Grande sub-provinces of the Superior Province of the Canadian Shield. This major structural boundary (the "OLGCZ") shows a strong spatial relationship to known gold deposits and showings in the area, including the Eleonore gold mine (Goldcorp), the Clearwater (Eastmain), Cheechoo (Sirios), Sakami/Apple (Canadian Strategic/Matamec), Wabamisk (Goldcorp/Azimut), and Auclair, La Grande Sud, Poste-Lemoyne and Sakami River (Osisko Baie James) gold projects, and numerous other gold occurrences. Each property is described below in terms of its size, location, general geology and proximity to other projects in the area.

The 103-claim (5,270-hectare) Nakami gold property is located just east of the La Grande-3 airstrip, and is accessible by the all-season Trans Taiga Road. These claims cover a tight flexure in the OLGZ, and are underlain mainly by basalt meta-volcanic rocks in contact with tonalite intrusive rocks. Regional airborne magnetic data suggests the presence of several narrow iron formations. The Nakami property lies 25km east of, and within, the same band of rocks that hosts the Zone 32 deposit (Osisko-Baie James), where an historical mineral resource estimate of 4.2 million tonnes at 2.1gpt Au has been reported (Virginia Gold Mines press release, March 11, 1999). Three mineral showings are documented on the Nakami property. A brief prospecting and sampling program completed by Hinterland returned gold values ranging up to 5.6gpt Au and copper values up to 0.4% Cu from 13 rock samples.

The 40-claim (2,059-hectare) Sakami North gold project is located approximately 0.9km north of the Sakami Apple property (Canadian Strategic/Matamec), where on-going drilling at the "La Pointe" or "025" zone has most recently intersected up to 2.5gpt Au over 48.6m (Canadian Strategic press release, September 8, 2016). The claims are underlain mainly by basalt meta-volcanic rocks in contact with tonalite intrusive rocks, and cover a 5.5km segment of the north-trending OLGZ. There is very little previous work documented within the claim block.

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4. EXPLORATION ACTIVITIES (CONT'D)

The 15-claim (777-hectare) Dunite property adjoins the Sakami/Apple property (Canadian Strategic/Matamec) to the south, and is located 13.5km south of the La Point zone mentioned above. It was staked to cover the "Nadine" chrome, platinum and palladium showing that occurs within a narrow band of ultramafic rocks that follows the north-trending OLG CZ for approximately 3.5km. The showing has returned up to 10.6% chromite (MERQ RG 99-15), and 1.8gpt palladium and 0.8gpt platinum (MERQ GM 58697) from selected grab samples.

The 40-claim (2,112-hectare) Auclair gold property is located approximately 85km northeast of the village of Nemaska. These claims cover a fold nose along the OLG CZ, and are underlain mainly by a sequence of basalt meta-volcanic rocks of the Natel Formation that are in contact with paragneiss metamorphic rocks of the Auclair Formation. Several narrow bands of iron formation, gabbro and rhyolite and have been mapped within the sequence, and numerous gold showings have been identified on the adjacent Wabamisk (Goldcorp/Azimut) and Auclair (Osisko-Baie James) projects. The property is 45km southeast of the Clearwater (Eastmain) deposit, where a measured and indicated resource of 7.2 million tonnes at an average grade of 4.09gpt Au has been identified, plus an additional inferred resource of 5.1 million tonnes at an average grade of 3.88gpt Au (Eastmain Resources website, www.eastmain.com).

Hinterland is seeking joint venture or equity financing to fund exploration on the Eeyou Istchee-James Bay properties. The proposed program includes airborne geophysical surveys followed by surface mapping, prospecting and sampling. The estimated cost of the exploration is \$214,500.

May 23, 2018

(s) Mark Fekete

Mark Fekete
President and Chief Executive Officer

(s) Ingrid Martin

Ingrid Martin
Chief Financial Officer