TROUBADOUR RESOURCES INC

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE SIX MONTHS ENDED JUNE 30, 2018

The following Management Discussion and Analysis ("MD&A"), prepared by the management of Troubadour Resources Inc. (the "Company", "Troubadour") as at June 30, 2018, should be read in conjunction with the Company's annual audited financial statements for the year ended December 31, 2017 and related notes attached thereto which are prepared in accordance with International Financial Reporting Standards. Certain statements included or incorporated by reference in this MD&A constitute forward-looking statements or forward-looking information under applicable securities legislation. These forward-looking statements are not guarantees of future performance and involve risk and uncertainties, which could cause actual results to differ materially from those anticipated. The Company expressly disclaims any obligation to update forward-looking statements unless so required by applicable laws. The information in this MD&A is current as of August 28, 2018.

These statements speak only as of the date of this MD&A and are expressly qualified, in their entirety, by this cautionary statement. In particular, this MD&A contains forward-looking statements, pertaining to the following:

1. capital expenditure programs;
2. development of resources;
3. expectations regarding the Company's ability to raise capital;
4. expenditures to be made by the Company to meet certain work and flow-through commitments; and
5. work plans to be completed by the Company.

With respect to forward-looking statements listed above and contained in the MD&A, the Company has made assumptions regarding, among other things:

1. the British Columbian legislative and regulatory environment;
2. the impact of increasing competition;
3. unpredictable changes to the market prices for minerals;
4. anticipated results of exploration activities; and
5. the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A:

1. volatility in the market prices for minerals;
2. uncertainties associated with estimating resources;
3. geological, technical, drilling and processing problems;
4. incorrect assessments of the value of acquisitions;
5. unanticipated results of exploration activities; and
6. unpredictable weather conditions.

All dollar amounts are expressed in Canadian dollars unless otherwise indicated. Note that additional information related to the Company is available on SEDAR at www.sedar.com.

1. ***Nature of Operations and Overall Performance***

Description of Business

Troubadour Resources Inc. is an exploration company incorporated in Canada under the British Columbia Corporations Act on March 22, 2012. The Company's shares are listed on the TSX Venture Exchange ("TSXV") under the trading symbol "TR". The Company is principally engaged in acquisition and exploration of resource properties. The head office, records office, and principal address of the Company is 488-625 Howe Street, Vancouver, British Columbia, V6C 2T6. The Company changed its name to Troubadour Resources Inc. (formerly Grandore Resources Inc.), on February 16, 2017.

The Company is engaged in the acquisition and exploration of its mineral property located in British Columbia, Canada. The Company currently owns a 100% interest in the Amarillo Property located approximately 30 kilometers west of the town of Peachland and or 71 kilometers northeast of the town of Princeton in the area of southwestern British Columbia, Canada.

Performance Summary and Subsequent Events

During the period ended June 30, 2018, the Company:

- issued 500,000 common shares at a price of $0.10 per share for a total value of $50,000 in accordance with its agreement to acquire certain claims comprising the Amarillo property.

- completed a non-brokered private placement, issuing 329,480 Non-Flow Through ("NFT") units at price of $0.10 per unit for gross proceeds of $32,948. Each NFT unit is comprised of one common share in the capital of the Company and one non-transferable share purchase warrant for a period of two years exercisable at $0.15. The funds under this offering were used for general corporate purposes.

- completed a non-brokered private placement, issuing 1,050,000 Non-Flow Through ("NFT") units at a price of $0.10 per unit for gross proceeds of $105,000. Each NFT unit is comprised of one common share in the capital of the Company and one non-transferable share purchase warrant for a period of two years exercisable at $0.15. In connection with these issuances, the Company paid finders a fee of $7,350 and issued a total of 73,500 share purchase warrants ("Finder's Warrants") on the same terms as the private placement warrants.

- filed a prospectus with the British Columbia Securities Commission solely for the purpose of allowing the Company to list its securities on the TSXV. Since no securities are being sold pursuant to this prospectus, no proceeds were raised, and all expenses incurred in connection with the preparation and filing of this prospectus were paid by the Company. The Company received listing under the symbol "TR" and began trading on June 11, 2018.

Subsequent to the period ended June 30, 2018, the Company:

- acquired an additional 896.95 hectares of land comprising of two mineral tenures contiguous to the Amarillo Property, to increase the total size of the Amarillo property to 4,178.21 hectares.

Amarillo Property

On October 27, 2016, the Company entered into a property option agreement with Jordan Lewis (the "Optionor") whereby the Optionor granted an option to purchase 100% interest in the Amarillo Property to the Company. In order for the Company to exercise its option, it will be required to:

(a) pay the Optionor an aggregate of $10,000 (paid); and

(b) issue an aggregate of 500,000 common shares of the Company, to be delivered within 10 days upon commencement of trading on the TSX Venture Exchange (issued).

The Optionor will also retain a 1.5% net smelter return royalty (the "Royalty"). The Company may purchase 1% of the Royalty by paying the Optionor a total of $1,000,000.

The Amarillo Project consists of seven (7) mineral tenures totaling 4,178.21 hectares and is situated within the heart of a major mining district located in the Similkameen and Osoyoos Mining Divisions in British Columbia. The Amarillo Project exhibits anomalous enrichment in copper, molybdenum and gold with skarn style mineralization highly anomalous in tungsten also present.

The multi-element geochemical soil signature of the Amarillo Project is consistent with a large multi-phase mineralizing system and is acutely similar to some of the neighboring world-class mining operations; such as the Brenda Cu-Mo-Ag-Au porphyry mine located 10 kilometers to the north that produced 278,000 tonnes of copper, 66,000 tonnes of molybdenum, 125 tonnes of silver and 2 tonnes of gold over a twenty-year mine life (source: Brenda Mines website).

Troubadour's exploration team has to date collected 848 soil samples, conducted property scale geological mapping and prospecting, 39.5km of ground magnetometer survey and 38.9km of induced polarization survey.

The work conducted was focused around what the Company's geologists now believe to be the location of an historic trench dating from 1966 which is a government reported minfile occurrence grading 0.87% copper over 125m(1). Over the intervening period from the 1960's, the area received limited exploration such that the trench was subsequently mislocated. The opportunity was lost until recent when the Company rediscovered the trench, acquired the surrounding ground and is now intent on unlocking its potential.

The Company plans to drill tests targets generated from this field work in the fall of 2018.

(1) Trench Data Source: Philip, R.H.D. 1967; EMPR Assessment Report 01141 and Sutherland, Ian G. 1978; EMPR Assessment Report 07790. Historical information is presented for historical reference only and cannot be relied upon as the Company's QP, as defined under NI 43-101, has not prepared nor verified the historical information.

Below is a summary of the Company's exploration expenditures as at June 30, 2018 and December 31, 2017:

	June 30, 2018	December 31, 2017
Acquisition Costs		
Opening Balance	$ 14,756	$ 14,756
Additions	50,000	-
Closing Balance	64,756	14,756
Exploration Costs		
Opening Balance	176,270	99,316
Administrative Expenditures	592	-
Assays	1,711	-
Field Expenditures	23,884	500
Field Personnel	66,550	-
Geological Consulting	-	3,874
Geophysics	111,207	72,580
Mobilization	1,347	-
Closing Balance	381,561	176,270
Total	$ 446,317	$ 191,026

2. ***Results of Operations***

During the six-month period ended June 30, 2018, the Company incurred a loss of $54,159(2017 –$29,766). Significant expenditures during the year were as follows:

- **Investor relations fees** – increased to $9,072(2017 - $nil) as the Company incurred expenditures relating to the promotion and management of the Company's shares in connection with listing on the TSX Venture Exchange.

- **Filing and transfer agent fees** – increased to $16,306(2017 – $nil) as the Company incurred fees relating to its non-offering prospectus and for listing.

- **Professional fees** – decreased to $28,524 (2017 - $29,673) and were related in each period to legal counsel for assistance with its non-offering prospectus and accounting fees relating to its audit and prospectus filings.

3. ***Summary of Quarterly Results***

	June 30, 2018	March 31, 2018	December 31, 2017	September 30, 2017
Total Assets	$ 1,166,337	$ 1,002,932	$ 744,703	$ 210,726
Shareholders' equity	977,636	955,826	871,265	186,673
Comprehensive Loss	(54,159)	(25,969)	(77,207)	(12,551)
Basic and diluted loss per share	(0.00)	(0.00)	(0.01)	(0.00)
	June 30, 2017	March 31, 2017	December 31, 2016	September 30, 2016
Total Assets	$ 146,407	$ 181,114	$ 266,557	$ 19,503
Shareholders' equity (deficiency)	53,476	83,060	83,242	(67,415)
Comprehensive Loss	(29,584)	(182)	(78)	(48)
Basic and diluted loss per share	(0.01)	(0.00)	(0.00)	(0.00)

4. ***Discussion of Second Quarter Results***

The Company reported a new loss of $28,190 during the three-month period ended June 30, 2018 (2017 - $29,584). The main factors that contributed to this loss included filing and transfer agent fees of $15,956 (2017 - $nil), investor relations fees of $5,574 (2017 - $nil), professional fees of $6,245 (2017 - $29,539), office fees of $1,918 (2017 - $nil), and bank charges and interest of $71 (2017 - $45). Operating expenditures for the three-month period were primarily related to services related to the Company's public listing.

5. ***Liquidity***

The Company's historical capital needs have been met by issuance of shares. As at June 30, 2018, the Company's working capital was $523,819(December 31, 2017 –$672,739). The Company proposes to meet any additional financing requirements through equity financing. The Company's cash position as at June 30, 2018 was $698,902 (December 31, 2017 - $736,278). The decrease in cash is primarily related to operating and mineral property expenditures.

Cash requirements will depend primarily on the extent of future exploration programs. Subsequent phases will depend, both on cost and duration, and on results from previous phases, and it is therefore extremely difficult to predict future cash requirements.

Operating activities: The Company does not generate cash from operating activities. Net cash used in the Company for operating activities, for the six-month period ended June 30, 2018 was $48,483 compared to $19,184used for the comparative period ended June 30, 2017.

Investing activities: The Company spent a total of $99,423 (2017- $90,242) on investing activities during the six-month period ended June 30, 2018, comprised exclusively of mineral property expenditures.

Financing activities: The Company generated $110,530 (2017 - $nil) from financing activities, comprised of $117,880 in proceeds from private placements (2017 - $nil) less share issuance costs of $7,350 (2017 - $nil).

The condensed interim financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's continuing operations rely on the ability of the Company to continue to raise capital.

6. *Outstanding Share Data*

The authorized capital of the Company consists of an unlimited number of authorized Common Shares, of which 16,570,100 Common Shares were issued and outstanding as at August 28, 2018.

As at August 28, 2018, share purchase warrants were outstanding as follows:

Number	Exercise price ($)	Expiry date
1,325,000	0.12	December 30, 2018
782,600	0.15	September 30, 2019
7,447,020	0.15	December 19, 2019
1,123,500	0.15	January 23, 2020
329,480	0.15	February 6, 2020
11,007,600		

As at August 28, 2018, there were no stock options outstanding.

7. *Capital Resources*

The Company has no commitments for capital expenditures at the date of this report.

The Company will continue to seek capital. In the past the Company has raised capital public markets by issuing common shares pursuant to private placements, through the issuance of convertible debentures and through loans payable. The Company manages its capital structure to maximize its financial flexibility making adjustments to it in response to changes in economic conditions and the risk characteristics of the underlying assets and business opportunities. The Company does not presently utilize any quantitative measures to monitor its capital and is not subject to externally imposed capital requirements.

8. *Related Party Transactions*

During the six-month period ended June 30, 2018, the Company paid or accrued $87,388 (2017 - $nil) included in mineral property expenditures to a company controlled by an officer of the Company included in mineral property expenditures.

Included in accounts payable and accrued liabilities at June 30, 2018 was $42,321 (December 31, 2017 - $6,078) payable to companies controlled by officers of the Company.

9. *Off-Balance Sheet Arrangements*

There are no off-balance sheet arrangements to which the Company is committed.

10. *Subsequent Events*

The Company acquired an additional 896.95 hectares of land, comprising of two mineral tenures contiguous to the Amarillo Property, thereby increasing the total size of the Amarillo property to 4,178.21 hectares.

11. ***Proposed Transactions***

The Company has no specific proposed transactions. However, consistent with the nature of the Company's operations, the Company is continuously reviewing potential mineral property acquisitions and is likely to acquire additional mineral properties in the future.

12. ***Critical Accounting Estimates and Judgments***

The recognition of exploration and evaluation assets requires judgments regarding future recoverability and carrying cost. The cost model is utilized, and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggest the carrying amount exceeds the recoverable amount.

The determination of income tax is inherently complex and requires making certain judgments about future events. While income tax filings are subject to audits and reassessments, the Company has adequately provided for all income tax obligations. However, changes in facts and circumstances as a result of income tax audits, reassessments, jurisprudence and any new legislation may result in an increase or decrease in our provision for income taxes.

13. ***Changes in Accounting Policies Including Initial Adoption***

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2017 except for the adoption of IFRS 9 as discussed below.

We have adopted the new IFRS pronouncement for financial instruments as at January 1, 2018, in accordance with the transitional provisions outlined in the respective standard and described below. The adoption of the new IFRS pronouncement has not resulted in adjustments in previously to reported figures and no change to the opening deficit balance as at January 1, 2018, under the IFRS 9 transition provisions.

Overview of Changes in IFRS 9

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and supersedes the guidance relating to the classification and measurement of financial instruments in IAS 39, Financial Instruments: Recognition and Measurement (IAS 39).

Under IFRS 9, on initial recognition, a financial asset or liability is classified at amortized cost or at fair value (either through other comprehensive income ("FVOCI") or profit or loss ("FVPL").

The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, there is an irrevocable option for each equity instrument to present fair value changes in other comprehensive income (FVOCI).

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change relating to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

Classification and Measurement Changes

We have assessed the classification and measurement of our financial assets and financial liabilities under IFRS 9 and have summarized the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 in the following table:

	Measurement Category	
	Original (IAS 39)	New (IFRS 9)
Financial Assets:		
Cash and cash equivalents	FVPL	FVPL
Receivables	Amortized cost	Amortized cost
Reclamation deposit	Amortized cost	Amortized cost
Financial Liabilities:		
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

There has been no change in the measurement categories, carrying values or to previously reported figures of our financial instruments. The adoption of the Standard did not have a significant impact on the financial statements.

Impairment of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to estimated present value of the future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

In a subsequent period, if the amount of the impairment loss related to financial assets measured at amortized cost decreases, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment

The Company has determined that the application of IFRS 9's impairment requirements as at January 1, 2018 does not result in any additional impairment allowances.

New standards not yet adopted

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2019. They have not been early adopted in these condensed interim financial statements. In all cases the Company intends to apply these standards from application date as indicated below:

IFRS 16 is a new standard that sets out the principles for recognition, measurement, presentation and disclosure of leases, including guidance for both parties to a contract, the lessee and the lessor. The new standard eliminates the classification of leases as either operating or finance leases, as is required by IAS 17 Leases, and instead introduces a single lessee accounting model. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of adopting these amendments on its financial statements.

14. *Risk Factors*

In conducting its business, the Company, like all development-stage mineral exploration companies, faces a variety of risks uncertainties. While unable to eliminate all of them, the Company aims at managing and reducing such risks as much as possible.

Exploration and Development **-** Resource exploration and development is a highly speculative business, characterized by a number of significant risks including, but not limited to, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits that, though present, are insufficient in quantity and quality to return a profit from production. Few exploration projects successfully achieve development due to factors that cannot be predicted or anticipated, and even one such factor may result in the economic viability o a project being detrimentally impacted such that it is neither feasible nor practical to proceed. The Company closely monitors its activities and those factors that could impact them and employs experienced consulting to assist in its risk management and to make timely adequate decisions.

Title Risks - Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims, as well as the potential for problems arising from the frequently ambiguous conveyance history characteristic of many mineral properties.

Permitting Risks - The development of mineral resources in British Columbia is subject to a comprehensive review, approval and permitting process involving various provincial and regional agencies, in addition to the various First Nations groups that have jurisdiction in the Company's area of claims. There can be no assurance given for the required approvals and permits for a mining project, even if technically and economically warranted, can be obtained in a timely or cost-effective manner.

Fluctuating Metal Prices - Factors beyond the control of the Company have a direct effect on global metal prices, which have fluctuated widely, particularly in recent years. Consequently, the economic viability of any of the Company's exploration projects and the Company's ability to finance the development of its projects cannot be accurately predicted and may be adversely affected by fluctuations in metal prices.

Environmental Regulations, Permits and Licenses - Environmental laws and regulation could also impact the viability of a project. The Company has ensured that it has complied with these regulations, but there can be changes in legislation outside the Company's control that could also add a risk factor to a project.

Competition - The mineral exploration industry is intensely competitive in all its phases, and the Company competes with some companies that have greater financial and technical resources. Competition could adversely affect the Company's ability to acquire suitable properties or prospects in the future.

Future Financings - The Company's continued operation will be dependent in part upon its ability procure additional financing. To date, the Company has done so through a combination of: (i) equity financing; and (ii) cash payments received as property option payments from third parties. The current state of global equity markets has had a direct effect on the ability of exploration companies, including the Company, to finance project acquisition and development through the equity markets. There can be no assurance that forms of financing can be obtained at a future date. Failure to obtain additional financing on a timely basis may cause the Company to postpone development plans, forfeit rights in some or all of the properties or joint ventures, or reduce or terminate some or all of the operations.

Price Volatility of Publicly Traded Securities - During recent months, global securities markets have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price that have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

15. ***Approvals***

The Board of Directors of Troubadour Resources Inc. has approved the disclosures contained in the Management Discussion and Analysis for the period ended June 30, 2018, prepared as at August 28, 2018.

16. ***Information regarding forward looking statements***

This Management's Discussion and Analysis of Financial Condition and Results of Operations contain certain forward-looking statements. Forward-looking statements include but are not limited to those with respect to the prices of gold and other metals, the estimation of mineral resources and reserves, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, costs and timing of the development of new deposits, success of exploration activities, permitting time lines, currency fluctuations, requirements for additional capital, Government regulation of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage and the timing and possible outcome of pending litigation. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes" or variations of such words and phrases, or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, the actual results of current exploration activities, conclusions or economic evaluations, changes in project parameters as plans continue to be refined, possible variations in grade and or recovery rates, failure of plant, equipment or processes to operate as anticipated, accidents, labour disputes or other risks of the mining industry, delays in obtaining government approvals or financing or incompletion of development or construction activities, risks relating to the integration of acquisitions, to international operations, and to the prices of gold and other metals. While the Company 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. 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. The Company expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by law.