AETHON MINERALS CORPORATIOM (FORMERLY WATUSI CAPITAL CORP.)
INTERIM MD&A – QUARTERLY HIGHLIGHTS
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2018

Background

This Management Discussion and Analysis – Quarterly Highlights ("**Quarterly Highlights**") for Aethon Minerals Corporation (formerly Watusi Capital Corp.) (the "**Company**") is prepared as at April 27, 2018 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three months ended February 28, 2018 and in conjunction with its audited financial statements as at November 30, 2017 and for the year then ended.

The unaudited condensed interim financial statements for the three months ended February 28, 2018, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard ("**IFRS**") and with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board ("**IASB**").

All dollar figures included therein and in the following Quarterly Highlights are quoted in Canadian dollars. Additional information relevant to the Company's activities can be found on The Company's website at www.aethonminerals.com and on SEDAR at www.sedar.com.

Qualifying Transaction

Until April 25, 2018, the Company, operating under the name "Watusi Capital Corp." was a Capital Pool Company ("**CPC**"), as defined in the TSX Venture Exchange ("**TSX-V**") Policy 2.4. As such, the Company had no commercial activities and sought a Qualifying Transaction pursuant to the policies of the TSX-V by way of an acquisition of an operating business or assets.

On April 25, 2018, the Company changed its name to "Aethon Minerals Corporation" and effected the consolidation of the common shares of the Company on the basis of one post-consolidation common share for each three common shares of the Company issued and outstanding immediately prior to such consolidation (the "**Consolidation**"). On April 26, 2018, the Company completed its Qualifying Transaction under the policies of the TSX-V through the acquisition of an option (the "**Option**") to earn a 100% interest in certain mineral properties with prospective copper and gold targets located in northern Chile (the "**Properties**") from Prospex SpA, BLC SpA and CALISTO SpA (collectively, the "**Optionors**") in addition to the purchase of related databases (the "**Databases**") from the Optionors (collectively, the "**Transaction**"). The Properties cover 130,000 hectares of prospective projects in the Antofagasta copper region and the Maricunga gold - silver region. The consideration for the purchase of the Databases and the grant of the Option is the issuance of an aggregate of 11,200,000 post-Consolidation common shares of the Company at a deemed issue price of $0.51 per share. To exercise the Option, the Company must incur cumulative expenditures of at least US$750,000 on the exploration and development of the Properties by October 26, 2019 of which at least US$500,000 must be incurred prior to April 26, 2019 and pay an aggregate of $1,000 to the Optionors. Any production from the Properties is subject to an existing 0.98% gross sales royalty in favour of a third party and a new 1.02% gross sales royalty in favour of the Optionors, for a total gross sales royalty of 2.0%. As at February 28, 2018, the Company had incurred $55,348 in legal and other charges related to the Transaction which have been capitalized as deferred acquisition costs.

In consideration of the grant of the Option and the sale of the Databases, the Company issued an aggregate of 11,200,000 post-Consolidation common shares to the Optionors on April 26, 2018.

Financing

In connection with the Transaction, on February 23, 2018, the Company completed a private placement financing (the "**Financing**") of 15,100,000 subscription receipts ("**Subscription Receipts**") for gross proceeds of $7,701,000. Each Subscription Receipt was converted, without payment of additional consideration, upon closing of the Transaction on April 26, 2018, to one post-Consolidation common share of the Company and one common share purchase warrant (each a "**Warrant**") entitling the holder to acquire one additional post-Consolidation common share of the Company at a price of $1.02 for a five-year period ending April 26, 2023, subject to acceleration and adjustment in accordance with its terms. If, after June 23, 2018, the closing price of the Company's common shares is higher than $1.55 for any 20-consecutive trading-day period, the expiry date of the Warrants may be accelerated by the Company to the 20th trading day following the end of such a 20-day period by the issuance, within two trading days, of a news release announcing such acceleration.

As at February 28, 2018, the $7,701,000 gross proceeds from the sale of Subscription Receipts were held in escrow, pending the completion of the Transaction, and have been classified as restricted cash. Additionally, pending their conversion to post-Consolidation common shares of the Company and Warrants, the Subscription Receipts are presented as a separate component of shareholders' equity, and are reported net of $23,034 in issuance costs incurred as at February 28, 2018.

Following the completion of the Transaction and resulting conversion of the Subscription Receipts, the net proceeds of the Financing were released to the Company. In connection with the Financing, the Company paid to Sprott Capital Partners, a division of Sprott Private Wealth LP, and Sprott Global Resource Investments, Ltd. (the "**Finders**"), from the proceeds of the Financing, fees of $425,370.60, representing 6.0% of the gross proceeds raised from purchasers introduced by, or whose subscriptions are attributable to the efforts of, the Finders, together with applicable expenses and taxes, and issued to the Finders 834,060 finder's warrants (the "**Finder's Warrants**"), representing 6.0% of the number of Subscription Receipts purchased by such purchasers. Each Finder's Warrant is exercisable to purchase on or before April 26, 2020 one post-Consolidation common share at an exercise price of $0.51.

. Pursuant to the terms of the finder's fee agreements, with the Finders, the Company reimbursed the Finders' reasonable fees and disbursements incurred in connection with the Financing.

Also, in connection with the Financing, the Company entered into a warrant indenture with TSX Trust Company, as warrant agent, providing for the issue and governing the terms of the Warrants. On closing of the Transaction, Michael Atkinson resigned as the Company's Chief Executive Officer, Chief Financial Officer and Corporate Secretary although he remains a director, and John Downes and Leanna Jiang resigned as directors. Concurrently, the following appointments were made:

- Robert Davies – President, Chief Executive Officer and Director
- Carlos Pinglo – Vice President Finance, Chief Financial Officer and Corporate Secretary
- John Miniotis – Vice President, Corporate Development
- Jens Mayer – Director
- Sam Leung – Director

Stock Options

The expiry date for 200,000 stock options outstanding as at February 28, 2018 was accelerated to April 26, 2019 following the resignation of former directors.

In connection with the Transaction, the Company granted 2,644,000 stock options with a $0.51 exercise price and April 26, 2023 expiry date to new directors, officers and consultants of the Company.

Capitalization

Following these events, the Company has 27,633,333 post-Consolidation common shares issued outstanding, 2,763,333 stock options, 15,100,000 Warrants and 834,060 Finders' Warrants outstanding. The values attributed to the Option and related Databases and the components of shareholders' equity affected by these events will be disclosed in future reporting periods.

Analysis of the Company's Financial Performance and Condition

Prior to the Transaction and while still operating as a CPC, the Company incurred a loss of $103,821 for the three months ended February 28, 2018 (2017 - $8,883). The increased net loss for the three months ended February 28, 2018 is a result of a $94,756 accrued liability for consultancy services provided for the operational and administrative structuring of the Company in anticipation of the completion of the Transaction. Other expenses incurred during the three months ended February 28, 2018 and 2017 include charges for legal, accounting, listing, filing, transfer agent and management services as well as general office costs and supplies incurred as a publicly-listed entity. These costs were consistent with such costs for previous quarters.

As at February 28, 2018, the Company had cash of $407,369 compared with $477,683 as at November 30, 2017. The decrease in cash is a result of expenditures for operating activities during the period as well as $43,098 in capitalized expenditures incurred in connection with the Transaction and $12,408 in expenditures incurred in connection with the Financing. An additional $12,250 in Transaction-related costs and $10,626 in Financing-related costs were incurred but not paid in the three months ended February 28, 2018 and are included in accounts payable and accrued liabilities as at February 28, 2018.

As at February 28, 2018, the Company had $7,701,000 in proceeds from the Financing that were held in escrow. On completion of the Transaction on April 26, 2018, these funds were released to the Company, net of a $427,635 cash commission payable to the finders of the Financing.

Liquidity and Changes to Expense Structure

The Company's current capital was received from the issuance of common shares and Subscription Receipts. Although future expenditures by the Company will increase significantly as it increases staff and overhead and undertakes the exploration of the Properties, the net proceeds raised to date will be sufficient to maintain the Company's near-term operations and to fund the planned exploration expenditures required to exercise the Option for the Properties. Should further exploration be undertaken, the Company may require additional funds.

Related Party Transactions

The Company is party to a corporate service agreement with Earlston Management Corp. ("**Earlston**"), a company related by virtue of having certain officers and directors in common, that provides office facilities and support services to the Company for a fee of $1,000 per month plus sales taxes. Earlston is also reimbursed for all reasonable expenses incurred in the performance of its services. During the three months ended February 28, 2018, the Company incurred $3,150 (2017 – $3,150) of such costs to Earlston, and as at February 28, 2018, $1,125 (November 30, 2017 - $1,066) was owing to this company and included in accounts payable and accrued liabilities.

Forward-Looking Statements

Certain statements contained in these Quarterly Highlights constitute forward-looking statements. Such forward-looking statements involve a number of 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 such forward-looking statements. These risks include, but are not limited to, its intention to exercise the Option for the Properties and its ability to operate as a going concern. Readers are cautioned not to place undue reliance on these forward-looking statements.