AETHON MINERALS CORPORATIOM (FORMERLY WATUSI CAPITAL CORP.)
INTERIM MD&A
FOR THE THREE AND SIX MONTHS ENDED MAY 31, 2018

Background

This Management Discussion and Analysis ("**Interim MD&A**") for Aethon Minerals Corporation (formerly Watusi Capital Corp.) (the "**Company**" or "**Aethon**") is prepared as at July 25, 2018 and should be read in conjunction with the Company's unaudited condensed interim financial statements for the three and six months ended May 31, 2018 and in conjunction with its audited annual financial statements and related Management Discussion and Analysis for the year ended November 30, 2017.

The unaudited condensed interim financial statements for the three and six months ended May 31, 2018, and comparative information presented therein, have been prepared in accordance with International Financial Reporting Standard and with International Accounting Standard 34, "Interim Financial Reporting", as issued by the International Accounting Standards Board.

For the purposes of preparing this Interim MD&A, management, in conjunction with the Board of Directors of Aethon (the "**Board of Directors**"), considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Aethon's common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) it would significantly alter the information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Caution Regarding Forward-Looking Statements

This Interim MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Examples of such statements include the Company's plans with respect to the Properties and the Llanos Project, the Company's expected cash and financing requirements and the expected impact if the Company's is unable to raise additional capital. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the ability of the Company to obtain necessary financing; the ability of the Company to satisfy conditions under any agreement; the exploration potential of its mining claims; anticipated cost; and unanticipated costs. While the Company anticipates that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements unless required to do so under applicable securities law. These forward-looking statements should not be relied upon as representing the Company's views as of any date subsequent to the date of this document. Although the Company has attempted to identify 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.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this Interim MD&A speak only as of the date of this Interim MD&A or as of the date specified in such statement.

All dollar figures included therein and in the interim MD&A are quoted in Canadian dollars unless otherwise stated. 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.

Description of Business

Aethon is a mineral exploration company focused on creating value in the base metal space with an emphasis on copper mineral assets in Chile. The Company has consolidated a very large prospective land position consisting of over 130,000 hectares along prolific mining belts located in the Maricunga and Antofagasta regions of northern Chile. The Company also has an option agreement to acquire a 100% interest in the highly prospective Llanos De Llahuin project situated in a region with easy access and existing infrastructure. All of the Company's efforts are devoted to financing and developing these properties.

The Company's head office and principal place of business is located at 220 Bay St, Suite 550, Toronto, Ontario M5J 2W4, Canada. The Company was continued under the Canada Business Corporations Act on July 17, 2018. The Company is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The Company's common shares are listed on the TSX Venture Exchange ("**TSX-V**", or the "**Exchange**") under the symbol "AET".

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-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 was 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 US$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 May 31, 2018, the Company had incurred $502,483 in legal and other charges related to the Qualifying Transaction and also some consulting expenses and permit fees which have been capitalized as deferred acquisition costs included in mineral property interest

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 May 31,2018 the Company incurred total transaction costs of $536,390 of which $209,997 was allocated to the warrants and the remaining $326,393 was allocated to the share capital.

Following the completion of the Transaction and the 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 $425,371, 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 non-transferrable 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.

Stock Options

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 directors, officers and consultants of the Company. The stock options shall vest over a three year period from the date of the grant, with one third vesting at the end of each year.

Capitalization

As at July 25, 2018 there were 27,633,333 post-Consolidation common shares issued outstanding. In addition, there were a total of 2,760,667 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 the Transaction have been capitalized as deferred acquisition costs in the mineral property interest.

Corporate Development Highlights

On May 16, 2018, the Company through its wholly-owned subsidiary, Aethon Minerals Chile SpA entered into an option agreement with Sociedad Legal Minera La Florida De Canela (the "**Optionor**"), an arm's length private Chilean company, to acquire a 100% interest in the Llanos De Llahuin project ("**Llanos**" or the "**Llanos Project**") in Chile.

The Llanos Project, located in Chile's Region IV close to the city of Illapel, is approximately 250km north of Santiago and is situated in a region with easy access to existing infrastructure. Numerous underground copper mines are located in the area. The Llanos Project is considered to have potential for a substantial copper-gold-molybdenum porphyry body, together with associated higher-grade breccia and shear zone bodies.

The Company paid US$100,000 upon signing of the option agreement (the "**Llanos Option Agreement**") in respect of the Llanos Project (the "**Llanos Option**") which has been capitalized as deferred acquisition costs included in the mineral property interest. In order to exercise the Llanos Option, the Company make the following payments: US$100,000 within six months, US$150,000 within twelve months, US$500,000 within eighteen months, US$650,000 within twenty four months, US$1,800,000 within thirty six months and US$3,000,000 within forty eight months of the date of the Llanos Option Agreement.

As per the terms of the Llanos Option Agreement, the Optionor will retain a 2% Net Smelter Return Royalty, of which Aethon will maintain the exclusive option to acquire at any time, in its entirety, for a one-time cash payment of US$4,500,000.

Discussion of Operations

Three months ended May 31, 2018 ("**Q2 2018**") and Six Months ended May 31, 2018 ("**YTD 2018**") compared with the three months ended May 31, 2017 ("**Q2 2017**") and Six Months ended May 31, 2017 ("**YTD 2017**")

The Company net loss totalled $666,027 for Q2 2018 ($769,848 YTD 2018) with basic and diluted loss per share of $0.06 for Q2 2018 ($0.12 YTD 2018). This compares with a net loss of $41,332 for Q2 2017 ($50,215 YTD 2017) with basic and diluted loss per share of $0.03 for Q2 2017 ($0.03 YTD 2017). The increase of $624,695 in net loss in Q2 2018 compared with Q2 2017 and $719,633 in net loss YTD 2018 compared with YTD 2017 was principally due to:

- $59,238 Share Base Compensation in Q2 2018 ($59,238 YTD 2018) compared with $31,942 in Q2 2017 ($31,942 YTD 2017) in connection with the 2,644,000 stock options granted to Officers, Directors and a Consultant in Q2 2018.
- $177,813 Salaries, Benefits and Director fees in Q2 2018 ($177,813 YTD 2018) compared with $nil in Q2 2017 ($nil YTD 2017) while the Company was operating as a CPC. After the Transaction was completed, the Company has hired officers, employees and appointed Directors to carry out its planned exploration activities.
- $216,038 (Professional and Consulting fees in Q2 2018 ($310,873 YTD 2018) compared with $1,109 in Q2 2017 ($1,688 YTD 2017) in connection with legal, audit, accounting, consultants and management services incurred as a publicly-listed entity.
- $103,635 Travel and Accommodation Expenses in Q2 2018 ($103,635 YTD 2018) compared with $nil in Q2 2017 ($nil YTD 2017) as a result of travels to Chile to visit the properties, negotiate the terms of the Transaction and the Option Agreements, attendance to Conferences and to carry its exploration and evaluation activities.
- $45,931 Office Administration and Facilities in Q2 2018 ($49,905 YTD 2018) compared with $3,232 in Q2 2017 ($6,492 YTD 2017) for rent and setting up new offices in Toronto, Canada and Santiago, Chile, general office costs and supplies incurred.
- $54,420 Transfer Agent, Listing and Filing fees in Q2 2018 ($59,432 YTD 2018) compared with $5,044 in Q2 2017 ($10,093 YTD 2017) incurred as a publicly-listed entity after the Qualifying Transaction.

Liquidity and Changes to Expense Structure

As at May 31, 2018, the Company had cash of $6,846,726 compared with $477,683 as at November 30, 2017. The increase in cash resulted from the net proceeds of the Financing in the amount of $7,701,000.

As at May 31, 2018, the Company had a net working capital of $6,288,015, which increased as compared to a net working capital of $487,486 as at November 30, 2017.

Although future expenditures by the Company are expected to increase significantly as the Company undertakes the exploration of the Properties and the Llanos Project, 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 and to continue to make payments under the Llanos Option Agreement should the Company determine it wishes to continue to do so. Should further exploration be undertaken, the Company may require additional funding.

The Company has no operating revenues and therefore must utilize its funds obtained from the Financing and other financing transactions to maintain its capacity to meet ongoing exploration and operating activities.

The Company's unaudited condensed interim consolidated financial statements have been presented on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of the business.

Selected Financial Information

As Aethon has no revenue, the Company's ability to fund its operations is dependent upon its ability to secure financing through equity or debt issues. The value of any resource property assets is dependent upon the existence of economically recoverable mineral reserves, the ability to obtain the necessary financing to complete exploration and development, and the future profitable production or proceeds from disposition of such properties.

The following table sets forth selected financial information of the Company for the past eight quarters.

Quarterly Information	Quarter ended May. 31, 2018 $	Quarter ended February 28, 2018 $	Quarter ended November 30, 2017 $	Quarter ended August 31, 2017 $
Revenue	Nil	Nil	Nil	Nil
Income from Operations	Nil	Nil	Nil	Nil
Total Loss and Comprhensive Loss	666,027	103,821	11,576	5,094
Basic and Diluted loss per Share	0.02	0.07	0.01	0.00
Cash and Restricted Cash	6,846,726	8,108,369	477,683	483,457
Mineral Property Interest	6,345,387	Nil	Nil	Nil
Total Assets	13,274,265	8,108,369	477,683	483,457
Accounts Payables and Accrued Liabilities	637,449	118,756	6,867	1,065
Total Equity	12,636,816	8,044,961	470,816	482,392

Quarterly Information	Quarter ended May. 31, 2017 $	Quarter ended February 28, 2017 $	Quarter ended November 30, 2016 $	Quarter ended August 31, 2016 $
Revenue	Nil	Nil	Nil	Nil
Income from Operations	Nil	Nil	Nil	Nil
Total Loss and Comprhensive Loss	41,332	8,883	10,353	6,413
Basic and Diluted loss per Share	0.03	0.01	0.01	0.00
Cash and Restricted Cash	488,710	477,683	513,437	513,437
Mineral Property Interest	Nil	Nil	Nil	Nil
Total Assets	488,710	503,361	513,437	517,462
Accounts Payables and Accrued Liabilities	1,224	6,867	768	7,678
Total Equity	487,486	470,816	505,759	505,759

Trends

Total loss and comprehensive loss increased during the quarter ended May 31, 2018 primarily as a result of the Company's qualifying transaction as discussed in the "Qualifying Transaction" section of this MD&A.

Cash and restricted cash, total assets, and total equity increased during the quarter ended February 28, 2018 primarily as a result of the Company's successful financing efforts as discussed in the "Financing" section of this MD&A.

During each of the other quarters outlined in the table above, the Company was a capital pool company with no significant operations."

Related Party Transactions

(i) Until April 25, 2018, the Company was 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 was also reimbursed for all reasonable expenses incurred in the performance of its services. During the three and six months ended May 31, 2018, the Company incurred $2,581 and $5,731, respectively (2017 - $3,150 and $6,300, respectively) of such costs to Earlston and incurred $40,000 transaction costs in connection with the Financing as at May 31, 2018, $1,125 (November 30, 2017 - $1,066) was owed to Earlston and included in accounts payable and accrued liabilities.

(ii) During FY2018 certain shareholders of the Company incurred $431,283 in the deferred acquisition costs for the mineral property as of May 31, 2018 that amount was unpaid and included in accounts payable and accrued liabilities.

Mineral Properties

Company currently holds in excess of 130,000 hectares of mining exploration concessions, all located in Chile as follows:

Antofagasta Region IV: Arcas, Quiltro, Lia and Timon projects comprising approximately 66,000 hectares. This land package is located on a prolific belt that holds exiting new projects and large scale mining operations such as the Collahuasi Mine, El Abra Mine, Radomiro Tomic Mine and Chuquicatama Mine, among others. The Company has started additional ground exploration in all of these properties as of July 2018.

Also, in Region IV, the Company acquired through option agreement the Llanos Project, totaling approximately 400 hectares. The Llanos Project is ideally located in between two large scale projects to the north and south, being El Espino (Pucobre) and Llahuin (Hudbay/Southern Hemisphere). Drilling program started late July, 2018 and will continue for the next two-three months.

Maricunga Region III: In this region, the Company holds eight land concessions as follows: Carreta, Pescado, Peineta, Plato de Sopa, Freddie, Chavo-Florinda, Aladeen and Pepe, which combined creates a total land package of approximately 64,000 hectares in the prolific Miocene porphyry-epithermal belt in region. This region has been prolific for large scale deposit finds such as Cerro Casale, Salares Norte, La Coipa and others.

During Q2 2018, the Company spent $6,345,387 (FY 2018 $6,345,387) on the Properties and the Llanos Project compared with $nil in Q2 2017 (FY 2017 $ nil) as follow:

Mineral Properties Interest	Quarter ended May 31, 2018	Quarter ended February 28, 2018	Quarter ended November 30, 2017
Arcas y Maricunga			
Acquisition	$ 5,712,000	-	-
Legal Expenses	116,134	-	-
Drilling And Exploration	-	-	-
Laboratory	-	-	-
Mining Fees	339,031	-	-
Consultants	42,628	-	-
Others	4,690	-	-
Total Arcas y Maricunga	**$ 6,214,483**	-	-
Llanos			
Acquisition	$ 130,904	-	-
Legal Expenses	-	-	-
Drilling And Exploration	-	-	-
Laboratory	-	-	-
Mining Fees	-	-	-
Consultants	-	-	-
Others	-	-	-
Total Llanos	**$ 130,904**	-	-
Grand Total	**$ 6,345,387**	-	-

Commitments

The Company is subject to the following commitments for premises rent:

Commitments	Amount
For the year ended November 30, 2018	72,527
For the year ended November 30, 2019	125,527
Total	**198,054**

Subsequent Events

On July 10, 2018, the Company held its annual and special meeting of shareholders (the "**Meeting**"). The shareholders elected Robert Davies, Jens Mayer, Sam Leung, Michael Atkinson and Flora Wood as directors of the Company to hold office until their successors are duly elected or appointed.

In addition, at the Meeting, Grant Thornton LLP was appointed as auditors until the next annual meeting of shareholders or until a successor is appointed.

In accordance with the rules and policies of the TSX-V, the Company's shareholders also adopted and ratified the amended "rolling" stock option plan of the Company, approved the continuance of the Company from British Columbia to the federal *Canada Business Corporations Act* and adopted new by-laws of the Company in connection with the continuance.

Other Information

The financial statements and additional information regarding the Company are available on SEDAR at www.sedar.com and on the Company's website www.aethonminerals.com.