Management Discussion & Analysis

For the nine months ended September 30, 2019

Suite 208 – 837 West Hastings Street
Vancouver, BC V6C 3N6
Tel: (778) 945-6383

EVALUATION OF DISCLOSURE CONTROLS & PROCEDURES

There have been no significant changes to the Company's internal control environment during the nine months ended September 30, 2019 that would have materially affected the Company's internal controls over financial reporting. The Company's certifying Officers concluded that the Company' internal disclosure controls and procedures are effective and sufficient to execute its business plan.

OTHER MD&A REQUIREMENTS

Additional information relating to the Company may be found on or in:

- SEDAR at www.sedar.com,
- the Company's condensed interim financial statement for the three and nine months ended September 30, 2019, and
- the Company's audited financial statements for the years ended December 31, 2018 and 2017.

This MD&A was approved by the Board of Directors of Letho Resources Corp. on November 29, 2019.

development and extracting, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and oil and gas losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements made by, or on behalf of, the Company. 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. Forward-looking statements are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements, except to the extent required by applicable law.

The forward looking statements contained herein are based on information available as of November 29, 2019.

OVERVIEW

The Company is a Tier 2 reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange (the "Exchange") under the symbol LET. The head office and registered and records office of the Company is located at 208 – 837 West Hastings Street, Vancouver, B.C., V6C 3N6.

The Company is not currently exploring its exploration and evaluation assets and has not yet determined whether the properties contain mineral reserves that are economically recoverable. Currently, the Company's focus is to complete, if successful, a business combination transaction with Anio Oil & Gas Sh.a ("Anio"). Anio is a private company registered in Albania that holds a license to the Ballsh-Hekal producing oil field in Albania. The transaction will be completed by way of a share exchange, which will result in a reverse takeover of the Company by Anio.

OVERALL PERFORMANCE

Administrative expenses for the nine months ended September 30, 2019 were $257,005 versus $352,085 in the comparative period ended September 30, 2018. The Company had lower operating expenses in the current period due to consulting fees in relation to the due diligence of the MOU with Anio in the prior period.

The Company experienced a net increase in cash of $122,493 during the nine months ended September 30, 2019 versus a net decrease in cash of $38,513 during the nine months ended September 30, 2018. This increase in cash in the current period was primarily attributable to the completion of private placements of $808,000 in March 2019, of which were partially offset by operating activities and loan receivable of $288,222 advanced to Anio. The decrease in cash in the prior comparative period was attributable to operating activities.

In March 2019, the Company completed the second tranche of a private placement of 3,232,000 units at a price of $0.25 per unit for gross proceeds of $808,000. Each unit consists of one common share and one-half share purchase warrant. Each warrant entitles the holder to acquire one additional common share of the Company at a price of $0.40 per share for 18 months. Finder's fees in the amount of $63,840 were paid by issuing 255,360 units to agents in connection with the private placement.

During the nine months ended September 30, 2019, the Company lent US$220,000 to Anio in accordance with a previously executed loan agreement in December 2018. The loan proceeds were forwarded for the sole purpose of managing the operations of the Ballsh-Hekal Oilfield in Albania during the time that the business combination transaction with Anio is underway. The loan receivable is non-interest bearing and due on or before January 30, 2020.

SELECTED INTERIM INFORMATION

All financial information in this MD&A has been prepared in accordance with IFRS and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The following financial data is derived from the Company's condensed interim financial statements for the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		**Nine months ended September 30,**	
	2019 ($)	**2018 ($)**	**2019 ($)**	**2018 ($)**
Revenues	-	-	-	-
Administrative expenses	64,707	278,961	257,005	352,085
Net and comprehensive loss	(64,707)	(278,961)	(257,005)	(376,929)
Basic and diluted loss per share	(0.01)	(0.04)	(0.02)	(0.05)
Exploration and evaluation assets	-	1,000	-	1,000
Total assets	484,979	12,813	484,979	12,813
Working capital (deficiency)	(5,648)	(323,424)	(5,648)	(323,424)

The Company's is currently focusing on completing a business combination transaction with Anio and have not generated any revenues.

As at September 30, 2019, the Company had not yet achieved profitable operations and had accumulated losses of $5,400,574 (December 31, 2018 – $5,143,569). These losses resulted in a loss per common share for the nine months ended September 30, 2019 of $0.02 (September 30, 2018 – of $0.05).

As at September 30, 2019, the Company has no continuing source of operating revenues and related expenditures. The Company has not paid any dividends on its common shares nor does it have any present intention of paying dividends on its common shares, as it anticipates that all available funds for the foreseeable planning horizon will be invested to finance its business activities.

SUMMARY OF QUARTERLY RESULTS FOR THE LAST CONSECUTIVE EIGHT QUARTERS

Historical quarterly financial information derived from the Company's eight most recently completed quarters:

	Quarters Ended			
	September 30, 2019	**June 30, 2019**	**March 31, 2019**	**December 31, 2018**
	$	$	$	$
Net and comprehensive loss	(64,707)	(67,562)	(124,736)	(99,792)
Basic and diluted loss per common share	(0.01)	(0.01)	(0.01)	(0.01)
Weighted average number of common shares	11,909,721	11,909,721	8,654,852	8,393,535

	September 30, 2018	June 30, 2018	March 31, 2018	December 31, 2017
	$	$	$	$
Net and comprehensive income (loss)	(278,961)	(31,795)	(66,173)	574,454
Basic and diluted earnings (loss) per common share	(0.04)	(0.00)	(0.01)	0.09
Weighted average number of common shares	7,538,361	7,527,680	7,033,090	6,706,845

RESULTS OF OPERATIONS

The operating and administrative expenses for the nine months ended September 30, 2019 totaled $257,005 (September 30, 2018 – $352,085). The table below details the significant changes in administrative expenditures for the nine months ended September 30, 2019 as compared to the corresponding period ended September 30, 2018:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $176,850	Decreased due to consulting fees paid in the third quarter of 2018 for services rendered including business development, due diligence, and structuring of the announced business combination transaction with Anio.
Project investigation costs	Increase of $10,175	Increased due to due diligence costs in relation to Anio in the current period.
Travel and related	Increase of $38,565	Increased related to travel for corporate development and the Anio transaction.

The operating and administrative expenses for the three months ended September 30, 2019 totaled $64,707 (September 30, 2018 – $278,961). The table below details the significant changes in administrative expenditures for the three months ended September 30, 2019 as compared to the corresponding period ended September 30, 2018:

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Decrease of $253,296	Decreased due to consulting fees paid in the third quarter of 2018 for services rendered including business development, due diligence, and structuring of the announced business combination transaction with Anio.
Project investigation costs	Increase of $27,379	Increased due to due diligence costs in relation to Anio in the current period.
Travel and related	Increase of $10,232	Increased related to travel for corporate development and the Anio transaction.

EXPLORATION AND EVALUATION ASSETS

For the nine months ended September 30, 2019 (September 30, 2018 - $nil), the Company did not incur any exploration and evaluation expenditures.

Inactive Properties

Whitney Property

On October 22, 2010, the Company entered into a Purchase Agreement with Liberty Mines Inc. ("Liberty") and 2004428 Ontario Inc. (the "Vendor") to purchase a 100% right and title to 16 mineral claims comprised of 10 contiguous unpatented single unit and block mining claims located in the central portion of Whitney Township, Porcupine Mining Division, Ontario, and six contiguous unpatented single unit mining claims located in the southwestern portion of Whitney Township, Porcupine Mining Division (collectively referred to as the "Whitney Property"), save and except for a 3% NSR.

During the year ended December 31, 2014, despite the properties being in good standing, the Company did not have any plans to further explore these properties in the near future. As a result, the Company impaired the Whitney Property to $nil.

As at September 30, 2019, the Whitney Property is still in good standing.

LIQUIDITY, FINANCIAL POSITION, AND CAPITAL RESOURCES

The Company has no known mineral resources and is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances development and exploration activities by raising capital from equity markets from time to time.

As at September 30, 2019, the Company's liquidity and capital resources are as follows:

	September 30, 2019	December 31, 2018
	$	$
Cash	157,669	35,176
Receivables	727	681
Prepaid expenses	35,237	5,255
Total current assets	**193,633**	**41,112**
Accounts payable and accrued liabilities	153,781	326,933
Loans payable	45,500	43,250
Working capital (deficit)	**(5,648)**	**(329,071)**

The Company's operations consist of acquisition, maintenance and exploration of mining and oil & gas properties, including actively seeking joint venture partners to assist with exploration funding. The Company's financial success will be dependent on the extent to which it can discover new mineral deposits.

As at September 30, 2019, the Company had a cash position of $157,669 (December 31, 2018 - $35,176) and a working capital deficit of $5,648 (December 31, 2018 – deficit of $329,071).

The Company's continuation as a going concern is dependent upon successful results from its mineral property exploration activities and its ability to attain profitable operations and generate funds there from and/or raise equity capital or borrowings sufficient to meet current and future obligations. Management intends to finance operating costs over the next twelve months with current cash on hand and further equity financings if required. See "Risks and Uncertainties".

OFF-BALANCE SHEET TRANSACTIONS

The Company does not have any off-balance sheet arrangements as at September 30, 2019 or as of the date of this report.

COMMITMENTS

In June 2016, the Company entered into consulting services agreement with two consultants to provide various advisory services to the Company for an indefinite term. The agreements require total combined payments of $30,000 per month and are subject to certain performance based compensation. Also included in each agreement is a provision for an 18-month payout in the event of a termination without cause and a provision for a 36-month payout in the event of a change in control. On January 1, 2018, the Company and the consultants mutually agreed to revise the contracts to a reduced combined monthly rate of $3,000 to December 31, 2018, if the Company completes financing over $5 million during 2018, the monthly rate will increase to the original combined monthly rate of $30,000. In 2019, the Company and the consultants agreed to continue with the reduced monthly rate.

<u>Loans Payable:</u>

- In February 2015, the Company entered into a loan agreement for $30,000 which bears interest at 10% per annum (calculated and payable semi-monthly), with the principal due on April 30, 2015. As additional consideration for the lender entering into the loan agreement, the Company included a conversion option on the debt. The embedded conversion option allows the lender to convert the indebtedness into common shares on or after April 30, 2015 at a deemed value of no less than $0.13 per share. In May 2015, the Company and the lender agreed to extend the repayment term to September 30, 2015.

  The principal and accrued interest was not repaid by September 30, 2019 and the parties are currently renegotiating the terms of the loan.

- In February 2015, the Company entered into a loan agreement for $1,500 with Brian Morrison, an officer and director of the Company. The loan is non-interest bearing, unsecured and due on December 31, 2015. The principal was not repaid by September 30, 2019 and the parties are currently renegotiating the terms of the loan.

RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2019, the Company entered into the following transaction with related parties, not disclosed elsewhere in these condensed interim financial statements:

The Company incurred $5,000 (September 30, 2018 - $nil) of office expenses to a family member of Jason Leikam, Executive VP and director of the Company for administrative services. As at September 30, 2019, $2,000 (December 31, 2018 - $nil) was included in accounts payable and accrued liabilities unpaid administrative services fees.

As at September 30, 2019, $16,586 (December 31, 2018 - $16,586) was included in accounts payable and accrued liabilities owing to Bryson Goodwin, a director of the Company for reimbursement of expenses and unpaid management fees.

As at September 30, 2019, $1,500 (December 31, 2018 - $1,500) was included in loans payable and $305 (December 31, 2018 - $305) was included in accounts payable and accrued liabilities owing to Brian Morrison, an officer and director of the Company for an unsecured and non-interest-bearing loan and reimbursement of expenses.

As at September 30, 2019, $3,000 (December 31, 2018 - $16,600) was included in accounts payable and accrued liabilities owing to Sotirios Kapotas, President and Chief Executive Officer of the Company for unpaid management fees. In addition, $33,682 (December 31, 2018 - $5,000) was included in prepaid expenses for travel advances.

As at September 30, 2019, $1,710 (December 31, 2018 - $nil) was included in accounts payable and accrued liabilities owing to Jason Leikam, an Executive VP and director of the Company for reimbursement of expenses.

Key management comprises officers and directors of the Company. Amounts due from related parties have no stated rates of interest and are due on demand. Summary of key management personnel compensation:

	For the nine months ended September 30,	
	2019	2018
	$	$
Consulting fees	**10,215**	-
Management fees	**13,500**	13,500
	23,715	13,500

CRITICAL JUDGMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors that are considered to be relevant under the circumstances. Revisions to estimates on the resulting effects of the carrying amounts of the Company's assets and liabilities are accounted for prospectively.

CHANGES IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

Standards issued or amended but not yet effective

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or not expected to have a significant impact on the Company's condensed interim financial statements.

FINANCIAL INSTRUMENTS

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
- Level 3 – Inputs that are not based on observable market data.

The fair value of the Company's receivables, loan receivable, accounts payable and accrued liabilities and loans payable approximate their carrying values. The Company's other financial instrument, being cash, is measured at fair value using Level 1 inputs.

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company manages credit risk, in respect of cash, by placing at major Canadian financial institutions. The Company has minimal credit risk.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's approach to managing liquidity is to ensure that it will have sufficient liquidity to meet liabilities when they become due. The Company is exposed to liquidity risk, as it does not have sufficient cash to settle its current liabilities that are due within 90 days. As such, management plans to meet its financial obligations through further private placements and loans, as necessary.

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company is not exposed to market risk.

CAPITAL MANAGEMENT

The Company considers its capital to be comprised of deficiency and loans payable. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares. Although the Company has been successful at raising funds in the past through the issuance of share capital, it is uncertain whether it will continue this method of financing due to the current difficult market conditions.

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. Management reviews the capital structure on a regular basis to ensure that the above objectives are met.

There have been no changes to the Company's approach to capital management during the nine months ended September 30, 2019.

RISK AND UNCERTAINIES

External financing, through the issuance of common shares will be required to fund the Company's activities. There can be no assurance that the Company will be able to obtain adequate financing. The securities of the Company should be considered a highly speculative investment. The following risk factors should be given special consideration when evaluating an investment in any of the Company's securities:

a) **Revenues and Dividends**: Apart from generating an insignificant amount of interest, the Company has no revenues and does not expect to have any revenues in the foreseeable future. In the event that the Company generates any revenues in the future, then the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the future.

b) **Disruption in Trading**: Trading in the common shares of the Company may be halted at any time for any reason, including the failure by the Company to submit documents to the Exchange in the time periods required.

c) **Nature of the Mining Industry**: Exploration of mineral prospects involves a high degree of risk which even experience, knowledge and careful evaluation may not be able to avoid.

d) **Government Regulations**: Governmental regulations, including those regulations governing the protection of the environment, taxes, labour standards, occupational health, waste disposal, mine safety and other matters, could have an adverse impact on the Company.

MANAGEMENTS RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management, and have been examined and approved by the Board of Directors. The financial statements were prepared by management in accordance with IFRS and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility.

The Company maintains internal control systems designed to ensure that financial information is relevant and reliable and that assets are safeguarded. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information.

DISCLOSURE OF DATA FOR OUTSTANDING COMMON SHARES, STOCK OPTIONS AND WARRANTS

The following table summarizes the outstanding common shares, stock options and warrants:

	As at September 30, 2019	Date of this report
Common shares	11,909,721	11,909,721
Stock options	623,000	623,000
Warrants	2,185,680	2,185,680

Stock options

A summary of the stock options outstanding and exercisable at the date of this report is as follows:

Number of Stock Options	Exercise Price	Expiry Date
	$	
623,000	0.085	February 9, 2022

Warrants

A summary of the warrants outstanding and exercisable at the date of this report is as follows:

Number of Warrants	Exercise Price	Expiry Date
	$	
442,000	0.40	April 3, 2020
1,743,680	0.40	September 26, 2020
2,185,680		

GENERAL

The purpose of this Management Discussion and Analysis ("MD&A") is to explain management's point of view of Letho Resources Corp.'s (the "Company" or "Letho") past performance and future outlook. This report also provides information to improve the reader's understanding of the financial statements and related notes as well as important trends and risks affecting the Company's financial performance, and should therefore be read in conjunction with the Company's condensed interim financial statements and notes thereto for the three and nine months ended September 30, 2019 (the "Financial Statements"). Additional information on the Company is available on SEDAR. All information contained in this MD&A is current as of November 29, 2019 unless otherwise stated.

All financial information in this MD&A has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all dollar amounts are expressed in Canadian dollars unless otherwise indicated.

FORWARD LOOKING STATEMENTS

Certain sections of this MD&A may contain forward-looking statements.

All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements may relate to the Company's future financial conditions, results of operations, plans, objectives, performance or business developments including, among other things, exploration and work programs, drilling plans and timing of drilling, plans for development and facilities construction and timing, method of funding and completion thereof, the performance characteristics of the Company's mineral properties, drilling results of various projects of the Company, the existence of mineral resources or reserves and the timing of development thereof, projections of market prices and costs, supply and demand for oil and gas, expectations regarding the ability to raise capital and to acquire reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained in this MD&A, which may prove to be incorrect, include, but are not limited to, the various assumptions set forth herein and in the MD&A, or as otherwise expressly incorporated herein by reference as well as: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with our current expectations; (3) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (4) labour and materials costs increasing on a basis consistent with the Company's current expectations; (5) the availability and timing of additional financing being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements. Such factors include, but are not limited to: fluctuations in the currency markets; fluctuations in the spot and forward price of oil or certain other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Albania; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration or development activities; employee relations; the speculative nature of oil and gas exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of oil exploration,