



**MacDonald Mines Exploration Ltd.**

**Management's Discussion and Analysis**

For the Year Ended December 31, 2017

(Expressed in Canadian Dollars)

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*This Management's Discussion and Analysis ("MD&A") of financial position and results of operations of MacDonald Mines Exploration Ltd. ("MacDonald Mines" or the "Company") has been prepared based on information available to MacDonald Mines as at April 24, 2018, and should be read in conjunction with MacDonald Mines' audited consolidated financial statements and related notes as at and for the year ended December 31, 2017 and 2016. The audited consolidated financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").*

*Readers are cautioned that the MD&A may contain forward-looking statements and that actual events may vary from management's expectations. Readers are encouraged to read the "Cautionary Statement on Forward-Looking Information" at the end of this MD&A and to consult MacDonald Mines' audited consolidated financial statements for the years ended December 31, 2017 and 2016 and the corresponding notes to the financial statements which are available on our website at [www.honeybadgerexp.com](http://www.honeybadgerexp.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).*

## **Business Overview and Strategy**

MacDonald Mines is a publicly-listed corporation on the TSX Venture Exchange ("TSXV") under the symbol BMK and is involved primarily in the identification, acquisition and advancement of mineral exploration properties with a particular focus on mineral exploration projects located in northern Ontario. MacDonald Mines' mineral properties are currently in the exploration stage. The Company does not operate any mines.

MacDonald Mines' continued operations are dependent upon the ability of the Company to obtain financing for the continued exploration of its mineral properties. The Company has not yet determined whether any of its mineral properties contain mineralization that is economically recoverable.

As of December 31, 2017, the Company had no employees other than the President & Chief Executive Officer and the Chief Financial Officer. Certain professional, administrative and geological services are provided to the Company by independent contractors, including corporations and/or individuals who may be officers or directors of MacDonald Mines.

The long-term business objectives of the Company are to:

1. acquire mineral properties it considers prospective to strengthen its portfolio of properties,
2. advance the geological knowledge of its mineral properties through successive exploration programs, and
3. if deemed advantageous, dispose of its mineral properties

The value of an exploration property is highly dependent upon the discovery of economically recoverable mineralization, the long-term preservation of the Company's ownership interest in the underlying mineral property, the ability of the Company to obtain the necessary funding to complete sufficient exploration activities on the property, and the prospects of any future profitable production therefrom, or alternatively upon the Company's ability to dispose of its property interests on an advantageous basis.

Risk factors that must be considered in achieving the Company's business objectives include the risk that exploration activities may not result in the discovery of minerals or definition of any mineral resources or reserves, that significant expenses could be required to define mineral reserves, that environmental, land title and competitive issues may prevent the development of any mineral reserves, and that the Company may fail to generate adequate funding to development mineral reserves.

The Company accepts the risks which are inherent to mineral exploration programs and the exposure to the cyclical nature of mineral prices. The Company relies on the geological and industry expertise of its Toronto-based management team and engages sub-contractors to complete certain aspects of its exploration programs.

## Corporate Developments

### Exploration Activities

In 2017, the Company focused its exploration activities on its Holdsworth property, located in Wawa, Ontario. The Holdsworth project is subject to a purchase agreement between the Company and Noble Mineral Exploration Inc. (*See Mineral Properties section below for details of the agreement*).

The following table summarizes the cumulative exploration and evaluation expenditures the Company has incurred on its various properties:

	Holdsworth	Charlevoix	Other	Total
Balance, January 1, 2017	\$ -	\$ -	\$ 9,604,093	\$ 9,604,093
Property acquisition costs	2,213,750	630,000	-	2,843,750
Exploration expenditures	780,424	57,060	220,829	1,058,313
<b>Balance, December 31, 2017</b>	<b>\$ 2,994,174</b>	<b>\$ 687,060</b>	<b>\$ 9,824,922</b>	<b>\$ 13,506,156</b>
Balance, January 1, 2016	\$ -	\$ -	\$ 33,724,467	\$ 33,724,467
Disposals			(24,120,374)	(24,120,374)
<b>Balance, December 31, 2016</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,604,093</b>	<b>\$ 9,604,093</b>

### Capital

During 2017, the Company completed three separate equity financings by way of private placements, raising gross proceeds of \$2,319,920, in aggregate, and incurring \$204,882 share issue costs. As part of the private placements, the Company issued a total of 27,088,857 common shares and issued 17,791,455 share purchase warrants with a weighted average exercise price of \$0.11 and maturity dates ranging from December 22, 2019 to March 7, 2022.

In connection with the Holdsworth and Charlevoix property acquisitions, the Company issued 16,000,000 common shares and 7,000,000 share purchase warrants with a weighted average exercise price of \$0.25 and maturity dates ranging from January 12, 2020 and August 4, 2020. The Company is obligated to issue an additional 1,000,000 units under the terms of the Holdsworth Property acquisition (*Refer to Mineral Properties section below*).

During 2017, the Company issued 538,845 common shares to settle certain obligations totalling \$46,425, 275,000 common shares for services of \$27,500 and 1,757,564 common shares upon the exercise of share purchase warrants. Gross proceeds from the exercise of the share purchase warrants was \$171,029.

During 2017, the Company granted 3,466,500 stock options to directors, employees and officers at a weighted average exercise price of \$0.17. These three-year options vested immediately upon grant. The fair value of the stock options granted during the year has been determined to be \$600,050.

### Outlook

For 2018, the Company plans to continue exploration activities at its Holdsworth property, which may include trenching, additional drilling and evaluation of the gold lode potential. In addition, the Company plans to pursue opportunities to process a bulk sample at the Holdsworth property which may include an offtake arrangement, a remediation plan of the lands affected and additional financing.

The Company has also engaged an independent consultant to prepare a resource statement on the Holdsworth Property which is expected in Q2 2018.

## Results of Operations

### Q4 2017

The Company realized a net loss of \$1,286,819 (Q4 2016 – loss of \$291,230) due to an increase in exploration activities and higher investor relation expenses in Q4 2017 compared to Q4 2016.

The Company incurred \$1,176,949 in exploration expenditures in Q4 2017 (Q4 2016 - \$Nil), mainly due to the exploration work on the Holdsworth property. The Company had more funds available to conduct exploration due to the private placements completed in 2017.

Salaries, professional and consulting fees were \$76,578 (Q4 2016 - \$69,286) for the fourth quarter of 2017 which comprised salaries, legal, management and accounting fees. Shareholder communication expenses totaled \$81,913 (2016 – Q4 2016 - \$38,221) which included filing and listing, transfer agent and investor relation fees. The increase is due to the fees associated with the December private placement and an increase in shareholder and investor relation activities.

### Fiscal 2017

For 2017, the Company realized a net loss of \$5,095,400 (2016 – net income of \$434,956) due to higher exploration activities, share-based compensation and salaries and consulting fees. The Company increased its activities due to funds received from the private placements completed in 2017.

Exploration expenditures increased to \$3,902,063 in 2017 (2016 - \$Nil) as indicated in the table in the section “Corporate Developments”. The majority of the exploration expenditures is due to the acquisition costs of the Holdsworth and Charlevoix properties totaling \$2,096,560 (2016 - \$Nil). In 2016, the Company sold certain properties and realized a gain on the disposal of \$878,446.

Salaries, professional and consulting fees were \$415,684 in 2017 (2016 - \$81,774), with the increase due to higher salaries, legal fees and consulting fees.

Shareholder communication expenses were \$142,683 (2016 - \$44,013), with the increase due to higher filing and listing fees and transfer agent fees associated with the private placements in 2017. The Company also increased its investor relation activities in 2017 as additional funding was available from the private placements.

The Company recorded \$600,050 (2016 - \$Nil) in share-based compensation resulting from the granting and vesting of 3,466,500 stock options (2016 – Nil) to directors, officers and consultants.

## Summary of Quarterly Information

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
<b>Statement of Loss and Comprehensive Loss</b>				
Exploration expenditures	\$ 1,176,949	\$ 359,417	\$ 1,221,433	\$ 1,144,264
Share-based payments	-	-	600,050	-
Net (loss) income	(1,286,819)	(472,062)	(1,949,974)	(1,367,506)
Basic EPS	\$ (0.02)	\$ (0.01)	\$ (0.03)	\$ (0.02)
<b>Statement of Financial Position</b>				
Cash & cash equivalents	\$ 1,174,271	782,711	540,845	757,356
Total assets	1,560,275	944,809	630,768	1,091,473
Total liabilities	1,660,662	1,420,845	1,460,872	1,619,813
Shareholder’s deficiency	(100,387)	(476,036)	(830,104)	(528,340)

	Q4 2016		Q3 2016		Q2 2016		Q1 2016	
<b>Statement of Loss and Comprehensive Loss</b>								
Exploration expenditures	\$	-	\$	-	\$	-	\$	-
Share-based payments		-		-		-		-
Net (loss) income		(291,230)		733,631		(35,549)		28,104
Basic EPS	\$	0.00	\$	0.00	\$	0.00	\$	0.00
<b>Statement of Financial Position</b>								
Cash & cash equivalents	\$	604,464	\$	10,106	\$	15,958	\$	34,900
Total assets		1,103,674		634,578		46,375		59,741
Total liabilities		1,813,515		1,567,578		1,560,256		1,544,016
Shareholder's deficiency		(709,841)		(933,000)		(1,513,881)		(1,484,275)

## Mineral Properties

### Holdsworth Property

On December 7, 2016 ("the "Effective Date"), the Company entered into an Option and Joint Venture ("JV") agreement ("the Option Agreement") with Noble Mineral Exploration Inc. ("Noble"), to advance exploration on Noble's Wawa-Holdsworth Gold and Silver Project (the "Holdsworth Project"), located 25 kilometres northeast of Wawa, Ontario. Subject to the terms and conditions of the Option Agreement, the Company will have the right to earn up to an undivided 75% interest in the Project, comprising of a first option to earn a 51% base interest and a second option to earn an additional 24% interest. The property covers 18 contiguous patented mining claims covering approximately 285 hectares.

To earn an initial 51% undivided interest ("the Base Interest") in the Holdsworth Project, the Company issued 2,500,000 of its Class A Common Shares and 2,500,000 share purchase warrants to Noble and must incur a minimum of \$1,200,000 in expenditures in the 18-month period following the Effective Date. The share purchase warrants have an exercise price of \$0.15 and expire 3 years from the date of issue. The Company issued the common shares and share purchase warrants on January 12, 2017. To earn the additional 24% undivided interest, the Company shall incur a further \$1,000,000 of expenditures on or before the second anniversary of the date the 51% interest is exercised and the Base Interest is earned and make a payment of \$100,000 to Noble.

On May 3, 2017, the Option Agreement was replaced with a purchase agreement whereby the Company agreed to acquire the Holdsworth Project from Noble (the "Purchase Agreement"). The purchase price comprised the following: (i) 5,500,000 units of the Company; (ii) the granting a 1.5% net smelter return royalty in favour of Noble and (iii) the payment of the equivalent of 5,000 ounces of gold once a mineral reserve or resource has been identified compliant with National Instrument 43-101 guidelines. Each unit shall comprise one common share and one share purchase warrant of the Company, with each share purchase warrant having an exercise price of \$0.30 and a 3-year term from the date of issue. The Purchase Agreement supersedes the Option Agreement. Payment of the 5,500,000 units shall be issued in tranches to ensure Noble's shareholdings in the Company does not exceed 9.9%.

As at December 31, 2017, the Company has issued 4,500,000 units to Noble under the Purchase Agreement.

### Charlevoix - Silica Property

On November 18, 2016, (the "Effective Date") the Company entered into a purchase agreement with 9019-5504 Quebec Inc. to acquire a 100% interest in certain 6 mining claims located in the Province of Quebec known as the Charlevoix Siliva Property. In consideration for the purchase of the mining claims, the Company issued 9,000,000 common shares on January 12, 2017 valued at \$0.07 per share.

### McFaulds Lake and Area Properties

The Company has held property in this region of northern Ontario since 2004 and is subject to net smelter royalties ("NSR") on certain claims.

On August 5, 2016, the Company entered into an agreement with Noront Resources Ltd. ("Noront") to sell 75% interest of certain lands in the property through the issuance of 2,318,393 common shares of Noront at a deemed value of \$750,000. On the date of the transaction, the fair value of the shares received was \$799,846. The Company has a 25% carried interest in the property until such time as an Inferred Mineral Resource has been filed on the property by Noront in accordance with NI43-101, at which time ("the Notification Date") a Joint Venture shall automatically be deemed to be formed between Noront and the Company.

The Company shall have twenty business days following the Notification Date (the "Conversion Right Exercise Period") in which to make a one-time election to transfer its 25% carried interest in the Property to Noront in exchange for a 1% NSR on the property.

If the Company fails to exercise the Conversion Right within the Conversion Right Exercise Period, Noront shall have the option (the "Buy-Back Option"), exercisable for twenty days following the expiry of the Conversion Right Exercise Period, to elect to purchase the Company's 25% carried interest in the Property for a purchase price of \$3,000,000 (the "Buy-Back Purchase Price"), payable in cash or Noront shares at the option of Noront.

During the year ended December 31, 2016, the Company completed a Mineral Property Acquisition Agreement with KWG Resources Inc. ("KWG") to sell the mineral claims known as the Hornby Property. In consideration of the claims sold, KWG issued 4,000,000 of its common shares to the Company. On the date of the transaction, the fair value of the shares received was \$78,600. MacDonald Mines retains a 2% net smelter return ("NSR") on the Hornby Property. KWG can purchase one percent (1%) of the NSR, at any time prior to commencement of production from the claims, by making a cash payment of \$1,000,000 to the Company. KWG retains the first right of refusal to purchase the NSR on similar transaction terms should the Company, at its sole discretion, elect to sell the entire (or any part) of the 2% NSR to a bona-fide third party.

#### **Bob Lake Property**

To acquire the property, the Company paid \$75,000, issued 2,850,000 common shares valued at \$194,000 and 300,000 now expired share purchase warrants.

#### **Liquidity and Capital Management**

Cash flow (used in)/provided by for 2017 and 2016 was as follows:

	<b>For the three months ended December 31,</b>		<b>For the year ended December 31,</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
Cash used in operating activities	\$ (616,946)	\$ (36,338)	\$ (2,122,760)	\$ (57,251)
Cash provided by investing activities	-	185,318	406,501	185,318
Cash (used in) provided by financing activities	1,008,504	445,378	2,286,066	445,378

As of December 31, 2017, the Company had a working capital deficit of \$126,719 (2016 – deficit of \$714,118).

There were no changes in the Company's approach to capital management during the year ended December 31, 2017.

In managing liquidity, the Company's primary objective is to ensure the entity can continue as a going concern while raising additional funding to meet its obligations as they come due. The Company's operations to date have been funded by issuing equity.

The Company's investment policy is to invest excess cash in very low risk financial instruments such as term deposits or by holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, which may include currency risk, credit risk, liquidity risk and interest rate risk.

The Company's mineral property interests are all in the exploration stage, as such the Company is dependent on external financing to fund its exploration activities and administrative costs. Management continues to assess the merits of mineral properties on an ongoing basis and may seek to acquire new properties or to increase ownership interests if it believes there is sufficient geologic and economic potential.

Management mitigates the risk and uncertainty associated with raising additional capital in current economic conditions through cost control measures that minimizes discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages the capital structure (consisting of shareholders' deficiency) on an ongoing basis and makes adjustments in response to changes in economic conditions and risks characteristics of its underlying assets. Adjustments to the Company capital structure may involve the issue of new shares, issue of new debt, acquisition or disposition of assets, or adjustments to the amounts held in cash, cash equivalents and short-term investments.

The Company is not subject to any externally imposed capital requirements other than flow-through spending.

### Related Party Transactions

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Key management personnel include the Board of Directors and the executive management team. The executive management team comprises the President and Chief Executive Office, Chief Financial Officer and Vice-President Exploration.

Compensation for key management personnel of the Company was as follows:

		<b>2017</b>		2016
Short-term benefits <sup>(1)</sup>	\$	<b>171,735</b>	\$	89,625
Share-based payments <sup>(2)</sup>		<b>173,100</b>		-
	\$	<b>344,835</b>	\$	89,625

<sup>(1)</sup> Includes salary and professional fees.

<sup>(2)</sup> Represents the expense of stock options vested during the year.

As of December 31, 2017, the following related party balances were outstanding:

The Company has a short-term loan of \$50,000 (2016 - \$50,000) owed to a company under common management. The loan bears interest at a rate of 5% per annum, is unsecured and payable upon demand. No amounts have been paid as at December 31, 2017. The Company has accrued interest of \$6,668 (2016 - \$2,500) related to the loan.

Included in accounts payable and accrued liabilities is an amount of \$202,311 (2016 - nil) related to exploration, rent and general & administrative charges from a company under common management. In addition, accrued bonuses of \$12,000 (2016 - accrued severance of \$72,000) are included in accounts payable and accrued liabilities.

### Outstanding Share Data

MacDonald Mines is authorized to issue an unlimited number of common shares.

As of April 24, 2018, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

<b>Common Shares</b>	<b>Number</b>
Outstanding	84,025,083
Issuable upon the exercise of share purchase warrants <sup>(1)</sup>	33,287,209
Issuable upon the exercise of stock options <sup>(2)</sup>	4,134,500
<b>Diluted common shares</b>	<b>121,446,792</b>

(1) There were 33,287,209 share purchase warrants outstanding with exercise prices ranging from \$0.06 to \$0.30 per warrant.

(2) There were 4,124,500 stock options under the Company's Stock Option Plan outstanding to directors, officers and consultants with exercise prices ranging from \$0.075 to \$1.00 per share.

## **Critical Accounting Estimates**

The preparation of financial statements in accordance with IFRS requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Judgements, estimates and assumptions are continuously evaluated and are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience. However, actual outcomes may differ from the amounts included in the financial statements.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could have an effect on the amounts recognized in the financial statements relate to the following:

### *Going concern*

The preparation of the financial statements requires management to make judgments regarding the going concern of the Company as previously discussed in Note 1 of the financial statements.

### *Deferred taxes*

The estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the Company's ability to utilize the underlying future tax deductions against future taxable income prior to expiry of those deductions. Management assesses whether it is probable that some or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income, which in turn is dependent upon the successful discovery, extraction, development and commercialization of mineral reserves. To the extent that management's assessment of the Company's ability to utilize future tax deductions changes, the Company would be required to recognize more or fewer deferred tax assets, and deferred tax provisions or recoveries could be affected.

### *Deferred Flow-Through Premium Estimates*

Recorded costs of flow-through share premium liabilities reflect premiums received by the Company on the issue of flow-through shares. The premium is subject to measurement uncertainties and requires the Company to assess the value of non-flow-through shares. The determination is subjective and does not necessarily provide a reliable single measure of the fair value of the premium liability. The fair values of the flow-through premiums are disclosed in Note 7 of the financial statements.

### *Share-based compensation*

Estimating fair value for granted stock options requires determining the most appropriate valuation model which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the option, volatility, dividend yield, and rate of forfeitures and making assumptions about them. The value of the share-based payment expense for the year along with the assumptions and model used for estimating fair value for share-based compensation transactions are disclosed in Note 9(b) of the financial statements.

### *Deferred Compensation*

From time to time the Company accrues compensation, included in accounts payable and accrued liabilities, which represents future compensation for management services and involves significant management judgments. The Company reviews the deferred compensation balance annually to ensure the balance appropriately represents the Company's estimate of what will be paid in cash or settled through share-based payments in future periods. Any reduction is recorded as a forgiveness of deferred compensation costs.

## **New Accounting Standards Issued But Not Yet Effective**

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2017 reporting period. Management believes the following standards will not have a significant impact on the Company's financial statements:

IFRS 9 Financial Instruments ("IFRS 9") was initially issued by the IASB in November 2009 and issued in its completed version in July 2014, and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 replaces the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

In January 2016, the IASB issued IFRS 16, Leases (IFRS 16). IFRS 16 is effective for periods beginning on or after January 1, 2019, with early adoption permitted. IFRS 16 eliminates the current dual model for lessees, which distinguishes between on-statement of financial position finance leases and off-statement of financial position operating leases. Instead, there is a single, on-statement of financial position accounting model that is similar to current finance lease accounting. The extent of the impact of adoption of IFRS 16 has not yet been determined.

### **Off Balance Sheet Arrangements**

The Company does not have off-balance sheet arrangements including any arrangements that would affect the liquidity, capital resources, market risk support and credit risk support or other benefits.

### **Dividends**

The Company has neither declared nor paid any dividends on its Common Shares. The Company intends to retain its earnings, if any, to finance growth and expand its operations and does not anticipate paying any dividends on its common shares in the foreseeable future.

### **Internal Controls Over Financial Reporting**

The Company has established procedures and internal control systems to ensure the timely and accurate preparation of financial, management and other reports. The Chief Executive Officer and Chief Financial Officer certify financial reports. Disclosure controls are in place to ensure all reporting meets statutory reporting requirements. The Company's management is responsible for establishing and maintaining adequate internal controls. These controls have been designed to provide reasonable, but not absolute, assurance with respect to the Company's financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Internal controls, however well-conceived, will provide only reasonable and not absolute assurance that the objectives of the internal controls over financial reporting will be met. It should not be expected that the disclosure and internal controls and procedures would prevent all errors or fraud.

Due to the small size of the Company's finance department, there are a limited number of personnel handling accounting and financial matters and as a result, there is a lack of segregation of duties. Management believes that it has designed sufficient compensating internal controls to mitigate these limitations, including dual signatories on all cheques. Additional internal controls include audit committee and senior management review and oversight.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures as a whole. Based on their review, including a review of the compensating controls relating to the lack of segregation of duties noted above, they have concluded that the Company's internal controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective overall.

### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide reasonable, but not absolute, assurance that all material information is obtained, analyzed and reported to senior management on a timely basis in order for management to make reasonable decisions regarding public disclosure.

The Company's certifying officers, the Chief Executive Officer and the Chief Financial Officer, have reviewed the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based on their review, they have concluded that the Company's disclosure controls and procedures, as defined in National Instrument 52-109, Certification of Disclosure in Issuer's Annual and Filings of the Canadian Securities Regulators, were effective and provide reasonable assurance that information required to be disclosed in interim, annual and special filings are submitted under Canadian securities laws and are recorded, processed, summarized and reported in a timely fashion.

### **Other Information**

Additional information relating to the Company is also available on the SEDAR at [www.sedar.com](http://www.sedar.com).

### **Cautionary Statement of Forward-Looking Information**

Forward-looking information is broadly defined as disclosures regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action and includes future-oriented financial information with respect to prospective financial performance, financial position or cash flows that is presented either as a forecast or a projection.

This MD&A contains forward-looking information and forward-looking statements, including statements relating to going concern and capital raising and capital requirements, that are subject to a number of known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Factors that could cause such differences include: changes in commodity prices, changes in equity markets, changes in costs and supply of materials relevant to the exploration and mine development, changes in governments, changes to government mining regulations as well as numerous other risk factors.

Readers are cautioned not to place undue reliance on forward-looking statements contained within this document, which speak only to the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, actual events may differ materially from stated expectations. Although the Company believes its expectations are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements.

Although the Company believes that the assumptions and factors used in preparing the forward-looking information in this MD&A are reasonable, undue reliance should not be placed on such information, which only applies as of the date of this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.