



**MacDonald Mines Exploration Ltd.**

**Management's Discussion and Analysis**

For the years ended December 31, 2023 and 2022

(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", "MacDonald" or the "Company") has been prepared based on information available to MacDonald Mines at April 24, 2024, the date of this MD&A, and should be read in conjunction with MacDonald Mines' financial statements and related notes for the years ended December 31, 2023 and 2022. The financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").*

*Readers are cautioned that this 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' financial statements and related notes for the years ended December 31, 2023 and 2022, which are available on our website at [www.macdonaldmines.com](http://www.macdonaldmines.com) and under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

## **Company Overview**

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MacDonald Mines is a publicly listed corporation trading on the TSX Venture Exchange ("TSXV") under the symbol BMK. It is involved primarily in the identification, acquisition, and advancement of mineral properties, focusing on critical metals and gold exploration in Northern Ontario, Canada. The Company does not operate any mines.

MacDonald Mines' continued operations are dependent upon the Company's ability 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, 2023, the Company had two employees and several independent contractors who provide certain professional, administrative and geological services to the Company. The independent contractors include corporations and individuals who may be officers or directors of MacDonald Mines.

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

- acquire mineral properties it considers prospective to strengthen its portfolio of properties;
- advance the geological knowledge of its mineral properties through successive exploration programs; and
- if deemed advantageous, continue development or 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 the Company's ability to dispose of its property interests on an advantageous basis.

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

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

## **Recent Corporate Developments**

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On March 30, 2023, Greg Romain resigned as CEO and director of the Company.

On April 5, 2023, Steven Butler resigned as a director of the Company.

On April 13, 2023, the Company announced that it agreed to settle a debt of \$12,500 owing to Mr. Romain, the Company's former CEO, through the issuance of common shares of the Company in accordance with applicable shares-for-debt policies of the TSXV. The Company and Mr. Romain entered into a debt settlement agreement which provided that the debt would be settled by the issuance of 178,572 common shares at a deemed price of \$0.07 per common share. On May 5, 2023, the common shares were issued and were subject to a four-month hold period.

On April 19, 2023, the Company announced the appointment of Mike England as Interim CEO and Director.

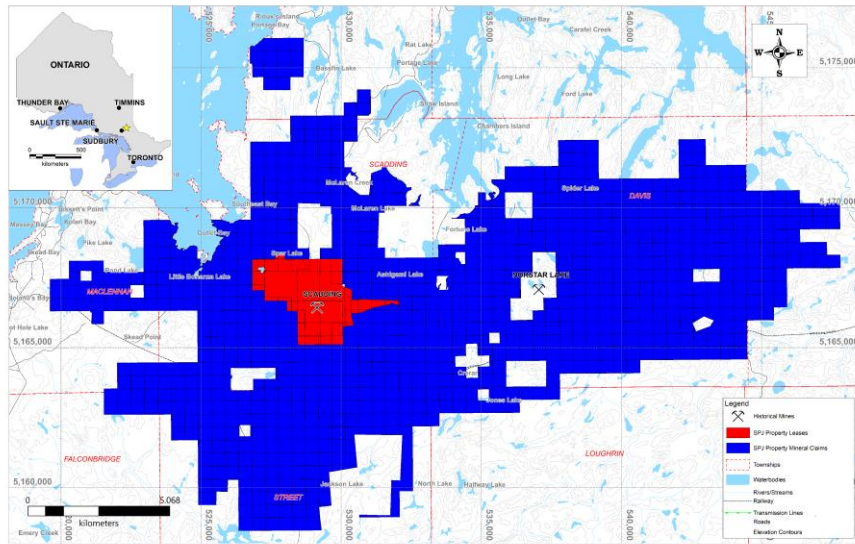
On May 5, 2023, the Company closed a non-brokered private placement offering for gross proceeds of \$455,000. The offering consisted of: (i) 6,000,000 flow-through units ("FT Unit") at a price of \$0.05 per FT Unit, with each FT Unit comprised of one common share and one common share purchase warrant, for proceeds of \$300,000; and (ii) 3,100,000 units at a price of \$0.05 per unit, with each unit comprised of one non-flow-through common share and one warrant, for proceeds of \$155,000.

On April 23, 2024, the company staked 30 mineral claims approximately 18 km north of Elliot Lake that became the Hembruff Copper Property. The land position is accessible using highway 639 and covers four historical copper occurrences located in a sliver of Archean basement exposed between the geological formations of the Southern Province in Ontario.

## **Exploration Update & Outlook**

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MacDonald Mines is a Canadian gold and base metal exploration company focused on exploring its 100%-owned, 19,455 ha (194 km<sup>2</sup>) Scadding-Powerline-Jovan ("SPJ") Project (see Figure 1) located 20 km southeast of the prolific Sudbury Mining Camp in Northern Ontario. The Company's focus is to locate what it theorizes to be a large hydrothermal system capable of forming critical and precious metal deposits. Currently, the main areas of interest correspond to the polymetallic structures surrounding the Alwyn copper-target and the mineralized system associated with past producing Scadding Gold Mine discovered at the Glade prospects. The Company is also delimiting the potential of other critical and precious metal systems surrounding Candore and Jerome within the SPJ Project with potential for nickel, copper, and PGE's. The demand and need for critical metals is at an all-time high and MacDonald Mines' believes the SPJ Property Area has the potential to be part of the supply solution.



**Figure 1. Locations of 2023 drilling, starting with the Alwyn Cu-Au trend and moving onto the Glade Au trend within the larger SPJ Property**

On March 3, 2023, the Company announced results from its broad gravity survey completed over the Alwyn Copper-Gold (“Cu-Au”) Trend (“Alwyn”) on its 100% SPJ property.

ALS GoldSpot Discoveries Ltd. (“ALS GoldSpot”) identified 5 high priority gravity targets potentially representing zones of iron-rich alteration associated along the prospective McLaren Lake Fault Zone (“MLFZ”) by integrating MacDonald Mines’ newly completed Alwyn gravity survey with regional magnetic surveys. All anomalous gravity high zones are spatially associated to the MLFZ, as well as intersections of structural lineaments that could provide the primary plumbing for mineralizing fluids in this system.

On March 21, 2023, the Company announced results from new surface exploration results from the Ashigami Cu-Au occurrence (“Ashigami”), 4.5 Km SE of Alwyn, both located along/adjacent to the McLaren Lake Fault Zone (“MLFZ”) on its 100% owned SPJ property. New grab samples from Ashigami blast pit contained 1.00 to 6.45 g/t gold, 3.11 to 5.55 % copper and 133 to 211 ppm cobalt. The reader is cautioned that grab samples are selective by nature and do not necessarily represent the true metal content of the mineralized zones.

Mineralization consists primarily of chalcopyrite with pyrite within dense multidirectional networks of quartz-carbonate veins, hosted in Gowganda formation sediments. Very comparable to veining and mineralization observed in the Alwyn Cu-Au trend. Located 4.5 km southeast of the historic Alwyn Mine and adjacent to the prospective MLFZ, the Ashigami Cu-Au occurrence may represent an extension of the mineralized system observed along the Alwyn Cu-Au trend drilled in 2022.

On June 28, 2023 the Company completed 1,208 meters of oriented diamond drilling, including 956 meters of drilling at the Alwyn Cu-Au trend and 252 meters of drilling at the Glade Au trend located on MacDonald Mines 100% owned’ SPJ Project near Sudbury, Ontario.

Official Name	Collar location			Hole Attributes		
	Northing (m)	Easting (m)	Elevation (m)	Final Depth (m)	Azimuth	Dip
<b>Alwyn Cu-Au Trend</b>						
AW-23-106	5172096.98	528407.95	274	126	190	-58
AW-23-107	5172096.45	528407.05	274	153	235	-50
AW-23-108 (Recollared)	5172073.6	528287.23	286	23	8	-52
AW-23-108A	5172074.5	528284.4	286	261	0	-52
AW-23-109	5172029.19	528627.86	280	162	240	-47
AW-23-110	5172030.13	528624.96	280	231	185	-55
<b>Glade Au Trend</b>						
AG-23-111	5165621.44	529051.94	292	252	135	-59

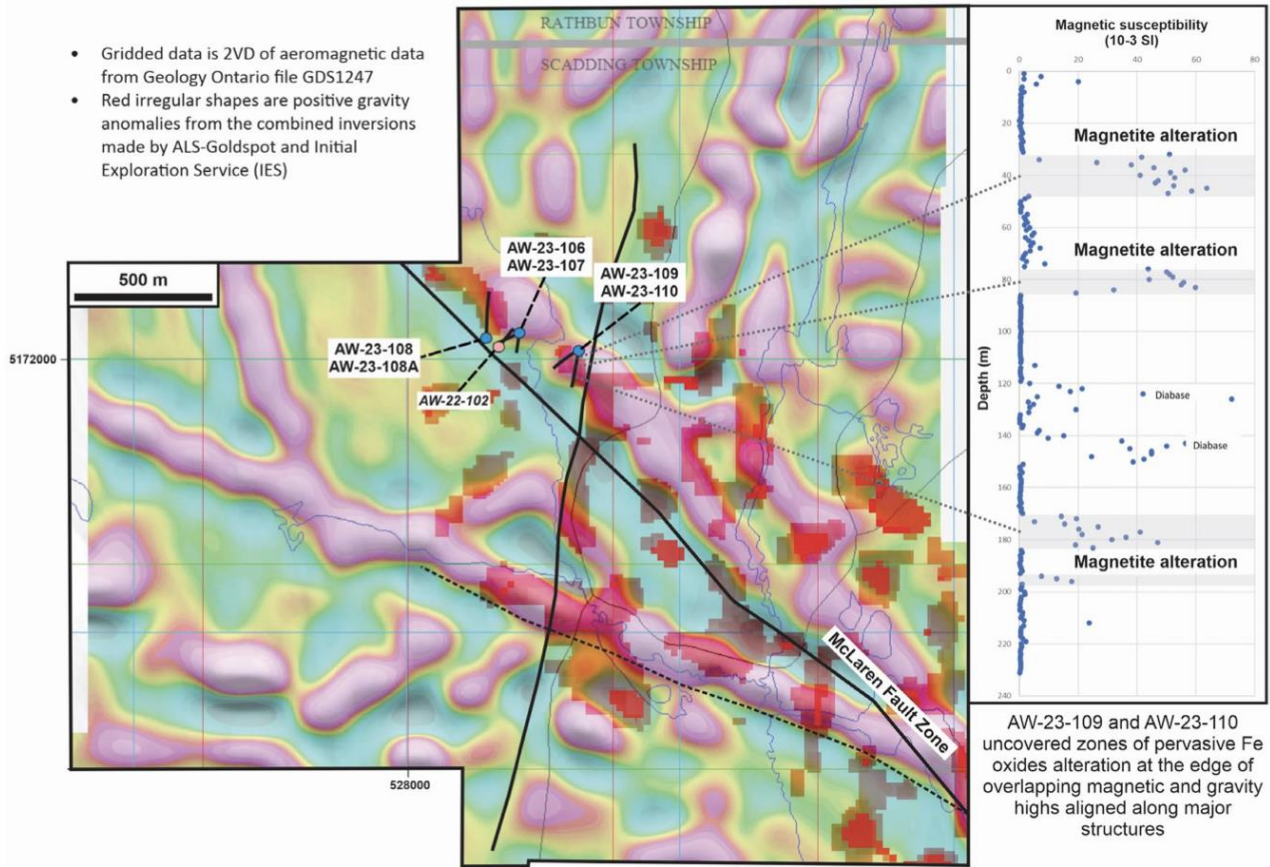
*Table 1: Collar details for drilling along the Alwyn Cu-Au and Glade Au trends.*

On December 6, 2023, the company announced the results from its 1,208 metres drill program. Some highlights from 956 meters of drilling in the Alwyn Cu-Au trend were:

- Copper-gold mineralization confirmed in the Alwyn Trend over a strike length of approximately 400 metres
- Confirmation that the Alwyn 102 Vein contained within a broader halo of Cu-Au mineralization is extending at least 75 metres SE of the historical Alwyn mine
  - Near-surface intersection of 1.16% Cu and 1.64 g/t gold over 4.75 metres within a mineralization halo containing 0.47% Cu and 0.52 g/t gold and over 25 metres in AW-23-107
- Zones of pervasive magnetite alteration with indications of Cu mineralization in AW-23-110 identified in the Alwyn Cu-Au trend (see figure 2)
- Indications that parallel zones of Cu-Au mineralization exist in the Alwyn Cu-Au trend
- A diabase dyke truncated the core zone of the Alwyn 102 Vein and its mineralized halo in AW-23-109 and AW-23-110. Cu-Au mineralization associated with the halos of the Alwyn 102 Vein is observed in both holes above and below the upper and lower contacts of the diabase dyke.

Highlights from 252 m of drilling in the Glade Au trend (see figure 1)

- Many zones of Au mineralization intersected
- Supports the continuity of Au mineralization at depth in the Glade Au trend



**Figure 2. Magnetic susceptibility (10-3 SI) measured with a KT-10 susceptibility meter versus down-hole depth (m) to show the distribution of magnetite alteration zones in the eastern extension of the drill tested area of the Alwyn Cu-Au trend**

### Copper-Gold Mineralization along the McLaren Lake Fault Zone hosting the Alwyn Cu-Au trend

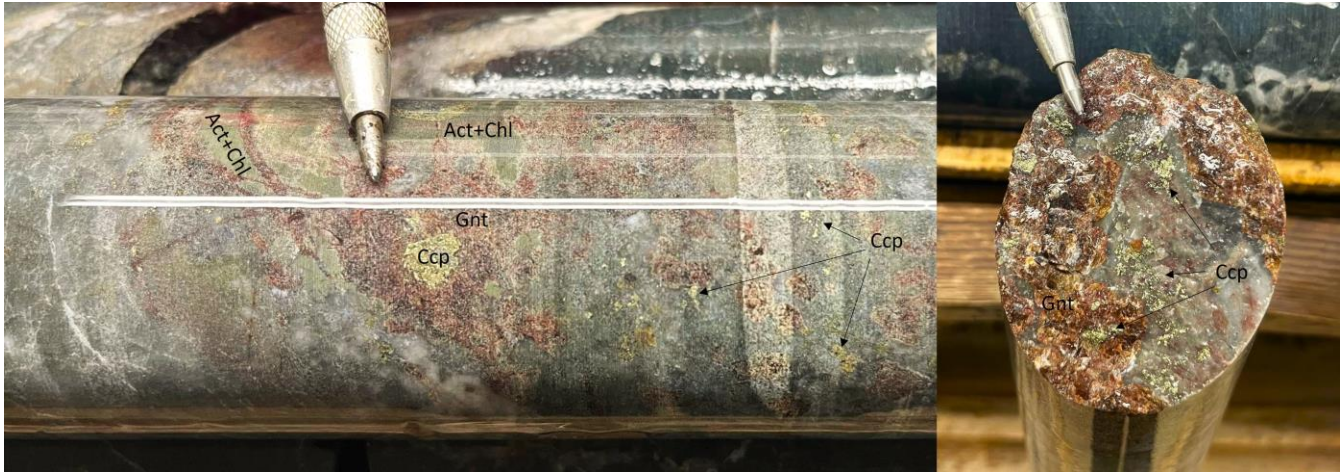
The MLFZ is emerging as a compelling exploration target for Cu-Au and potentially Co-Au mineralization affiliated with mineral systems capable of forming IOCG and affiliated deposits. Along the 2.5 km-long Alwyn Cu-Au trend defined in collaboration with ALS-GoldSpot, near-surface Cu-Au mineralization is associated with networks of quartz-carbonate veins with zones of stronger Cu-Au mineralization concentrated in the Alwyn 102 Vein.

The 2023 drilling program confirmed the existence of pervasive magnetite alteration zones in the SE extension of the Alwyn Cu-Au trend at the edge of positive magnetic anomalies overlapping with gravity anomalies (see figure 2). Many drill holes from the 2022 and 2023 drilling programs also contain chalcopyrite mineralization associated with the development of the following iron-rich alteration types:

- AW-22-101 - Specular hematite and quartz-specular hematite,
- AW-22-102 - Actinolite-chlorite-earthy hematite,
- AW-23-106 - Actinolite-garnet-chlorite-earthy hematite (Figure 3),
- AW-23-109 - Amphibole-chlorite-epidote-fluorite,
- AW-23-110 - Chlorite and chlorite with K-feldspar.

Regionally, the MLFZ is highly prospective for critical and precious metals mineralization. In addition to Alwyn, along the MLFZ on the SPJ Project the primary targets include the Ashigami and Crerar showings, located 4.5 km and 9.5 km southeast of the Alwyn mine, respectively (Figure 1).



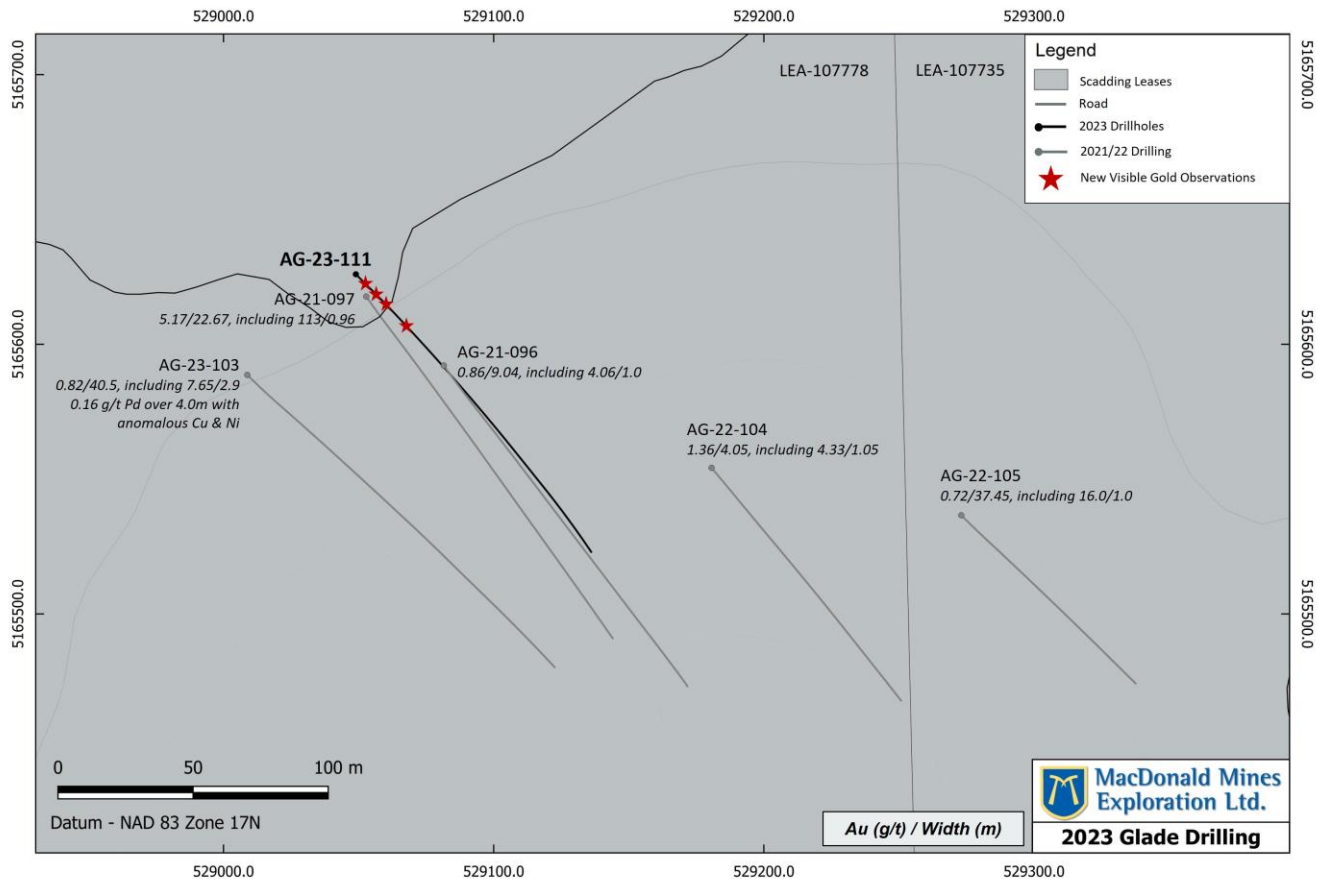


**Figure 3: Andradite garnet (“Gnt”), and variably chloritized actinolite (“Act + Chl”) with chalcopyrite mineralization in hole AW-23-106.**

### Glade Au Trend

The 2023 drilling program (Figure 4) in the Glade Au trend followed up on the successful drilling results of the 2022 and 2021 drilling programs. In 2022, hole AG-22-103 intersected three shallow zones of gold mineralization containing in core length 0.47 g/t gold over 8.5m, 0.71 g/t gold over 10.35 m and 0.82 g/t gold over 40.5 m including 7.76 g/t gold over 2.9 m core length (see news release of September 19, 2022). In 2021, hole AG-21-097 confirmed the presence of high-grade gold mineralization in the Glade trend with the intersection of 113 g/t gold over 0.96 m core length (see news release of May 13, 2021).

Drilling also tested PGM potential of the Nipissing intrusion hosting the Glade system identified in the 2022 drilling program with the intersection of 0.16 g/t Pd over 4.00 m in AG-22-103 with anomalous Cu and Ni at the contact(s) between individual intrusions in the Glade Nipissing intrusion.



**Figure 4: Drilling at the Glade Au trend, with significant intercepts from 2021-2022 and new visible gold observations in AG-23-111.**

## Capital

### Fiscal 2023

On March 21, 2023, the Company granted, under the Company's stock option plan, 680,000 stock options to certain directors, officers, employees, and consultants of the Company. The options entitle the holders to purchase the same number of common shares of the Company at a price of \$0.10 per share for a period of five years. The options vested immediately, and the fair value of the stock options granted was estimated to be \$45,424, which was recorded in the statements of loss and comprehensive loss.

On March 21, 2023, the Company issued 71,429 common shares in relation to the Jovan property agreement. The fair value of the shares issued was \$5,000.

On May 5, 2023, The Company closed a non-brokered private placement offering for gross proceeds of \$455,000. The offering consists of (i) 6,000,000 flow-through units ("FT Units") at a price of \$0.05 per FT Unit, with each FT Unit comprised of one common share and one common share purchase warrant, for proceeds of \$300,000 and (ii) 3,100,000 non flow-through units at a price of \$0.05 per non flow-through unit, with each non flow-through unit comprised of one non-flow-through common share and one warrant, for proceeds of \$155,000. The fair value of the warrants issued under the financing was \$0.022 per warrant totaling \$201,801.

On May 5, 2023, the Company issued shares to settle a debt of \$12,500 owing to Mr. Romain, the Company's former CEO who resigned on March 30, 2023. The Company and Mr. Romain entered into a debt settlement



agreement which provided that the debt would be settled by the issuance of 178,572 common shares at a deemed price of \$0.07 per common share.

On May 12, 2023, the Company announced the grant, under the Company's stock option plan, of 1,000,000 stock options to certain directors, officers, employees, and consultants of the Company. The options entitle the holders to purchase the same number of common shares of the Company at a price of \$0.06 per share for a period of five years. The options vested immediately, and the fair value of the stock options granted was estimated to be \$57,700 which was recorded in the statements of loss and comprehensive loss.

### ***Fiscal 2022***

On January 18, 2022, the Company issued 150,000 shares pursuant to the Jovan Powerline property acquisition agreement with a fair value of \$60,000.

On January 17, 2022, the Company granted 125,000 stock options to the Company's CEO at an exercise price of \$0.50 per common share. 50% of the options vested immediately upon grant, while the remaining 50% vested on July 17, 2022. The fair value of the stock options granted was estimated to be \$42,791.

On August 10, 2022, the Company granted 125,000 stock options to a director of the Company at an exercise price of \$0.50 per common share. 50% of the options vested immediately upon grant, while the remaining 50% vested on February 10, 2023. The fair value of the stock options granted was estimated to be \$9,750.

On December 8, 2022, the Company closed the first tranche of a non-brokered private placement offering for gross proceeds of \$175,500. The Company issued 926,923 flow-through shares at a price of \$0.13 each and 550,000 units at a price of \$0.10 each (see further details under "Recent Corporate Developments" above).

On December 22, 2022, the Company closed the second tranche of a non-brokered private placement offering for gross proceeds of \$150,007. The Company issued 1,153,900 flow-through shares at a price of \$0.13 each (see further details under "Recent Corporate Developments" above).

### **Exploration Activities and Property Acquisitions and Dispositions**

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#### ***Scadding-Powerline-Jovan Property***

The SPJ property consists of the Scadding, Powerline, Jovan, Blueberry, Loney and Golden Copper properties located east of Sudbury in Northern Ontario.

On July 18, 2018, the Company entered into an option agreement to earn 100% interests in the Jovan and Powerline properties. The purchase price was \$225,000 in cash payments, the issuance of commons shares valued at \$180,000 and the commitment to spend up to \$800,000 in exploration activities, payable over a three-year period. The Company made a cash payment of \$37,500 upon signing the definitive agreements and on October 5, 2018, the Company issued 50,000 common shares with a fair value of \$20,000 pursuant to the definitive agreement. On August 14, 2019, the Company issued 80,000 common shares with a fair value of \$40,000 and paid \$45,500 in cash. On August 6, 2020, the Company made a cash payment of \$66,000 and on September 14, 2020, the Company issued 40,909 common shares with a fair value of \$45,000. On July 15, 2021, the Company made a cash payment of \$26,000. On January 11, 2022, the Company made a cash payment of \$50,000. On January 18, 2022, the Company issued 150,000 common shares with a fair value of \$60,000 in accordance with the agreement. All obligations to acquire 100% interest in the claims have now been fulfilled and the claims have been transferred over to the Company.

On April 24, 2019, the Company signed definitive agreements with both Northern Sphere Mining Corp. ("Northern Sphere") and Currie Rose Resources Inc. ("Currie Rose") to purchase a 100% interest in the leases comprising the Scadding Mine, as well as additional mineral claims that surround the permitted Scadding Mine site (collectively, the "Scadding Mine"). The Scadding Mine is located in Scadding Township near the Wanapitei – Ashigami Lakes district, 40 kilometres east of Sudbury, Ontario. Northgate Exploration initially mined the site in the 1980s.

To acquire Northern Sphere's 51% interest in the Scadding Mine and 100% interest in the surrounding claims, the Company:

- issued 1,000,000 of the Company's common shares upon transfer of title (the shares were issued on September 10, 2019, with a fair value of \$900,000);
- made a \$100,000 cash payment (the \$100,000 was paid on the closing of the transaction); and
- incurred \$300,000 in eligible exploration expenditures in the 12 months following the acquisition of the Scadding Mine.

To acquire Currie Rose's 49% interest in the Scadding Mine, the Company:

- issued 800,000 of the Company's common shares (the shares were issued on September 4, 2019, with a fair value of \$640,000);
- made a \$50,000 cash payment on transfer of title (the \$50,000 was paid on the closing of the transaction); and
- incurred \$1.5M of eligible exploration expenditures on the leases partially comprising the Scadding Mine.

As part of the agreement, Currie Rose retains a 3% Net Smelter Return ("NSR") on the property. Upon reaching commercial production, the Company agrees to pay Currie Rose \$2,000,000 to reduce the NSR to 2.5%. An additional 1% of the NSR can be bought back for \$1,000,000. 514 Finance Inc. acted as an arms-length advisor to the Company for this transaction and received 200,000 common shares of the Company for its services.

On July 9, 2019, the Company announced the expansion of its SPJ Property. The Company staked 14 claims and purchased an additional 130 claims from Blueberry Development. To acquire a 100% interest in the claims owned by Blueberry Development, MacDonald paid the seller \$50,000 in cash and issued 300,000 common shares. The deal closed on August 15, 2019, and the fair value of the common shares issued was \$15,000. On August 6, 2020, the Company made a cash payment of \$66,000 and on September 14, 2020, the Company issued 40,909 common shares with a fair value of \$45,000 in accordance with the agreement. On July 15, 2021, the Company made a cash payment of \$26,000 and paid the remaining balance owing of \$50,000 on January 11, 2022. The Company also issued 150,000 common shares on January 11, 2022, with a fair value of \$60,000 in accordance with the agreement. All obligations to acquire 100% interest in the claims have now been fulfilled and the claims have been transferred over to the Company.

On September 2, 2019, the Company agreed to acquire a 100% interest in 151 claims from Klondike Bay Resources (Loney Property). The claims are contiguous to MacDonald's property and cover future extensions of the gold-rich potential Iron-Oxide-Copper-Gold ("IOCG") system identified at the Scadding Mine. The consideration payable by the Company was as follows:

- \$20,000 and 20,000 common shares on the signing of the agreement;
- \$30,000 and 30,000 common shares on or before the first anniversary of the agreement; and
- \$30,000 and 25,000 common shares on or before the second anniversary of the agreement.

The Company made a cash payment of \$20,000 upon signing the definitive agreement. On November 8, 2019, the Company issued 20,000 common shares, the fair value of which was \$20,000. The 30,000 common shares due on the first anniversary of the agreement were issued on September 30, 2020, with a fair value of \$33000, while the \$30,000 cash payment was made on November 3, 2020. The 25,000 common shares due on the second anniversary were issued on September 17, 2021 with a fair value of \$12,500, while the cash payment of \$30,000 was made on September 24, 2021.

On October 2, 2019, the Company purchased from Golden Copper Corp. a 100% interest in 38 mining claims located 35 kilometres from Sudbury, Ontario. The Company made a cash payment of \$5,000 upon signing of the definitive agreements. On November 8, 2019, the Company issued 187,500 common shares, the fair value of which was \$187,500.

The new claims add to MacDonald's large SPJ Property package and cover prospective extensions of the potential IOCG system identified at the Scadding Mine. The Scadding Mine produced 29,000 oz of gold from 127,000 tonnes of mineralized material grading 7.2 g/t (OFR 5771) and the large land package surrounding the mine has also yielded multiple discovery areas to explore, including significant showings of copper, cobalt, nickel and silver in addition to high-grade gold.

On February 15, 2021, the Company entered into an agreement to acquire a 100% interest in four claims located on the Jovan property. This acquisition added 36 hectares to the Company's land position. Total consideration for the purchase of the mining claims was \$150,000, of which \$75,000 was paid in cash on the signing of the agreement and \$75,000 was paid in common shares of the Company based on the previous 5-day VWAP. In total 107,143 common shares were issued on April 21, 2021, with a fair value of \$0.70 each.

In April of 2022, 9 mining claims were staked in both Scadding and Street townships. The claims were either within or directly adjacent to the SPJ Property.

#### Hembruff Copper Property

On April 23, 2024, the company staked 30 mining claims approximately 18 km north of Elliot Lake to define the 100% owned Hembruff Copper Property. The property overlies a sliver of Archean basement and hosts four historical copper occurrences. The new claims are covering an interpreted fault in the Archean basement that could be related to the presence of copper mineralization exposed at surface.

The following table summarizes the cumulative exploration and evaluation and property acquisition expenditures the Company has incurred on its SPJ Project:

	\$
<b>Balance, December 31, 2021</b>	<b>9,638,630</b>
Exploration expenditures & property acquisition costs	870,021
<b>Balance, December 31, 2022</b>	<b>10,508,651</b>
Exploration expenditures & property acquisition costs	556,169
<b>Balance, December 31, 2023</b>	<b>11,064,820</b>

### **Results of Operations**

#### ***Fourth Quarter ended December 31, 2023 (Q4 2023)***

The Company realized a net gain in the fourth quarter of 2023 of \$67,642 (Q4 2022 - net loss \$127,624) mainly due to a flow-through recovery and receiving \$60,000 in government funding from the Ontario Junior Exploration Program ("OJEP").

The Company incurred \$23,041 in exploration expenditures in Q4 2023 (Q4 2022 - \$198,394) comprising exploration activity expenditures on the SPJ property. The Company's spending on exploration activities tends to fluctuate based on the availability of flow-through financing during the year.

Salaries, professional and consulting fees for the fourth quarter of 2023 were \$57,686 (Q4 2022 - \$91,528).

Shareholder communication expenses in the current quarter decreased to \$14,459 (Q4 2022 - \$43,851) which included filing, transfer agent and investor relation fees. This decrease is due to lower shareholder and investor relation-related activities and financings compared to the prior year comparable period.

### ***Fiscal year ended December 31, 2023***

The Company realized a 2023 net loss of \$764,319 (2022 – net loss \$1,605,295) mainly due to exploration activities, property acquisition activities and salaries, professional and consulting fees and share-based compensation during the year.

The Company incurred \$556,169 in exploration and property acquisition expenditures in 2023 (2022 -\$870,021) comprising exploration activity on the SPJ property.

Salaries, professional and consulting fees for the year ended December 31, 2023 decreased to \$266,064 (2022-\$452,513). The decrease in 2023 is due to a reduction in consulting fees and the timing of certain legal and regulatory activities compared to the prior year comparable period.

Shareholder communication expenses in the year totaled \$85,159 (2022 – \$233,371) which included filing, transfer agent and investor relation fees.

### **Summary of Quarterly Information (*Expressed in Canadian dollars*)**

	<b>Q4 2023</b>	<b>Q3 2023</b>	<b>Q2 2023</b>	<b>Q1 2023</b>
<b>Statement of Loss and Comprehensive Loss</b>				
Exploration and property acquisition expenditures	\$ 23,041	\$ 111,026	\$ 250,307	\$ 171,795
Share-based payments	-	-	57,700	46,426
Net (loss) or gain	67,642	(220,680)	(348,007)	(263,274)
Basic and diluted loss per share	\$ 0.00	\$ (0.01)	\$ (0.01)	\$ (0.01)
<b>Statement of Financial Position</b>				
Cash & cash equivalents	\$ 57,884	\$ 117,149	\$ 362,258	\$ 202,214
Total assets	103,061	166,685	460,498	270,380
Total liabilities	571,498	702,764	775,897	732,280
Shareholders' equity (deficiency)	\$ (468,437)	\$ (536,079)	\$ (315,399)	\$ (461,900)
	<b>Q4 2022</b>	<b>Q3 2022</b>	<b>Q2 2022</b>	<b>Q1 2022</b>
<b>Statement of Loss and Comprehensive Loss</b>				
Exploration and property acquisition expenditures	\$ 198,394	\$ 128,153	\$ 346,505	\$ 196,969
Share-based payments	2,484	8,198	10,786	30,071
Net loss	(127,624)	(251,902)	(635,416)	(590,353)
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)	\$ (0.03)	\$ (0.02)
<b>Statement of Financial Position</b>				
Cash & cash equivalents	\$ 403,479	\$ 66,027	\$ 237,587	\$ 727,496
Total assets	585,613	283,643	474,533	1,113,046
Total liabilities	835,664	537,861	485,048	498,930
Shareholders' equity (deficiency)	\$ (250,051)	\$ (254,218)	\$ (10,515)	\$ 614,116

## Mineral Properties

### SPJ Property

See details of cash and share payments in respect of the property acquisitions above and in Note 9 to the Company's financial statements for the year ended December 31, 2023.

Please see pages 7 to 9, "Exploration Activities and Property Acquisitions and Dispositions", for detailed terms of the purchase consideration for the properties comprising the SPJ Property.

### Liquidity and Capital Management

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Cash flow (used in) / provided by operating, investing and financing activities for the years ended December 31, 2023 and 2022 was as follows:

	2023	2022
Net cash used in operating activities	\$ (795,567)	\$ (991,915)
Net cash provided by investing activities	-	49,115
Net cash used in financing activities	450,072	265,695
<b>Decrease in cash balance</b>	<b>\$ (345,495)</b>	<b>\$ (677,105)</b>

As of December 30, 2023, the Company had cash and cash equivalents of \$57,884 (December 31, 2022 – \$403,379) and a working capital deficit of \$468,437 (December 31, 2022, working capital deficit - \$266,169), respectively.

There were no changes in the Company's approach to capital management during the year ended December 31, 2023.

In managing liquidity, the Company's primary objective is to ensure that it can continue as a going concern while raising additional funding to meet its obligations as they fall 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 holding funds in high yield savings accounts with major Canadian banks. Financial instruments are exposed to certain financial risks, including 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 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 adverse economic or stock market conditions through cost control measures that minimize discretionary disbursements and reduces exploration expenditures that are deemed of limited strategic value.

The Company manages its capital structure (consisting of shareholders' equity or deficit) on an ongoing basis and adjusts in response to changes in economic or stock market conditions and its underlying assets' risk characteristics. Adjustments to the Company's capital structure may involve the issuance of new shares, 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 obligations.



## Related Party Transactions

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The Board of Directors and the executive management team have authority and responsibility for planning, directing and controlling the Company's activities. The executive management team comprises the Company's: (i) President and Chief Executive Officer; and (ii) Chief Financial Officer. Compensation for key management personnel of the Company for the years ended December, 2023 and 2022 was as follows:

	<b>31-Dec 2023</b>	31-Dec 2022
Short-term benefits <sup>(1)</sup>	<b>192,500</b>	363,750
Share-based payments <sup>(2)</sup>	<b>59,277</b>	51,539
	<b>251,777</b>	415,289

At December 31, 2023, included in accounts payable and accrued liabilities is an amount of \$50,850 (December 31, 2022 - \$11,300) due to a company controlled by the Chief Financial Officer and \$26,250 (December 31, 2022 - \$28,250) due to a company controlled by the Chief Executive Officer.

## Outstanding Share Data

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

As of April 24, 2024, the date of this MD&A, the number of common shares outstanding or issuable under other outstanding securities of the Company was as follows:

<b>Common Shares</b>	<b>Number</b>
Outstanding	38,077,158
Issuable upon the exercise of share purchase warrants <sup>(1)</sup>	9,455,500
Issuable upon the exercise of stock options <sup>(2)</sup>	3,069,500
Issuable upon the exercise of compensation options <sup>(3)</sup>	434,273
Fully diluted common shares	51,036,431

(1) 9,455,500 common share purchase warrants were outstanding with exercise prices ranging from \$0.07 to \$0.70 per common share.

(2) There were 3,069,500 stock options under the Company's Stock Option Plan outstanding to directors, officers and consultants with exercise prices ranging from \$0.10 to \$1.00 per common share.

(3) There were 434,273 compensation options issued as finder's fees under a November 2021 private placement with an exercise price of \$0.50. Each compensation option consists of one common share and one half of one share purchase warrant.

## Critical Accounting Estimates

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The preparation of financial statements in accordance with IFRS requires management to make judgements, 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 periods. 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.

The Company's significant accounting policies and estimates are disclosed in Note 3 to the Company's financial statements for the years ended December 31, 2023.

## **New Accounting Standard Adopted by the Company**

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Certain pronouncements have been issued by the IASB that are effective for annual periods beginning on or after January 1, 2023. The Company has assessed the amendments and determined that there is no material impact on the accounting and presentation of the financial statements.

Certain pronouncements have been issued by the IASB that are applicable for accounting periods after December 31, 2023. There are currently no pronouncements that are expected to have a significant impact on the Company's financial statements upon adoption.

## **Off-Balance Sheet Arrangements**

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The Company has no off-balance sheet arrangements, including any arrangements that would affect liquidity, capital resources, market risk support, credit risk support, or other benefits.

## **Dividends**

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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**

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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 concerning 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 internal controls 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.

## **Disclosure Controls and Procedures**

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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 for management to make reasonable public disclosure decisions.

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 Issuers' Annual and Interim Filings of the Canadian Securities Regulators), were effective as of December 31, 2023. They 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.

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

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Forward-looking information is broadly defined as disclosures regarding possible events, conditions, or financial performance based on assumptions about future economic conditions and courses of action. It includes future-oriented financial information concerning future financial performance, financial position, or cash flows 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, subject to several 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 the Company's or its 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, and 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.

#### **Other Information**

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Additional information relating to the Company is available on its website at [www.macdonaldmines.com](http://www.macdonaldmines.com) and under its profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).