



MacDonald Mines Exploration Ltd.

Management's Discussion and Analysis

For the Three and Six Months Ended June 30, 2018

(Expressed in Canadian Dollars)

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 August 28, and should be read in conjunction with MacDonald Mines' unaudited condensed interim financial statements and related notes as at and for the three and six months ended June 30, 2018 and 2017. The unaudited condensed interim financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements in accordance with IAS 34, Interim Financial Reporting.

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 and on SEDAR at 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 June 30, 2018, 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

The Company is focusing 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, 2018	\$	2,994,174	\$	687,060	\$	9,824,922	\$	13,506,156
Exploration expenditures		135,286		2,058		51,915		189,259
Balance, June 30, 2018	\$	3,129,460	\$	689,118	\$	9,876,837	\$	13,695,415
Balance, January 1, 2017	\$	-	\$	-	\$	9,604,093	\$	9,604,093
Property acquisition costs		1,329,990		630,000		-		1,959,990
Exploration		392,010		13,697		-		405,707
Balance, June 30, 2017	\$	1,722,000	\$	643,697	\$	9,604,093	\$	11,969,790

Jovan And Powerline Property

On July 18, 2018, the Company announced it had acquired a 100% interest in the Jovan and Powerline Properties. The purchase price was structured to be payable over a three-year period and included cash payments totalling \$225,000, the issuance of common shares, valued at \$180,000, and the commitment to spend up to \$800,000 in exploration activities.

Capital

On July 19, 2018, the Company announced that it had commenced, on a best efforts basis. A unit private placement offering to raise an aggregate if up to \$1.0 million. Each unit is being offered at \$0.06 per unit and will be comprised of one common share and one share purchase warrant. Each share purchase warrant shall be exercisable into one common share at an exercise price of \$0.10 and have an expiry 12 months from the date of issuance.

On July 18, 2018, the Board of Directors has granted an aggregate of 2,525,000 stock options to directors, employees and consultants of the Company. Each stock option is exercisable into one common share with an exercise price of \$0.09 per common share, vest immediately upon grant and have an expiry 5 years from the date of grant.

On February 1, 2018, the Company issued 725,000 units pursuant to the Holdsworth acquisition agreement. Each unit was comprised of one common share and one purchase share warrant, with each warrant entitling the holder to one common share at an exercise price of \$0.30 per share for a period of 36 months from the date of issue. (*Refer to Mineral Properties section below*).

During the six months ended June 30, 2018, the Company granted 300,000 stock options to an officer of the Company with each stock option having a strike price of \$0.075 and a five-year term. These five-year options vested immediately upon grant. The fair value of the stock options granted during the period has been determined to be \$23,882.

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 Q3 2018.

In addition, the Company will also conduct exploration activities on its newly acquired Jovan and Powerline properties.

Overview of Financial Performance

Q2 2018 to Q2 2017

The Company realized a net loss of \$244,486 (Q2 2017 – loss of \$1,969,013) due to a decrease in exploration activities and lower share-based compensation in Q2 2018 compared to Q2 2017. Total comprehensive loss for Q2 2018 was \$244,486 (Q2 2017 - total comprehensive loss of \$1,960,348).

The Company incurred \$63,074 in exploration expenditures in Q2 2018 (Q2 2017 - \$1,221,433), mainly due to the exploration work on the Holdsworth property. In Q2 2017, the Company incurred \$1,015,740 in acquisition costs for the Holdsworth property.

Salaries, professional and consulting fees were \$83,321 (Q2 2017 - \$85,774) for the second quarter of 2018 which comprised salaries, legal, management and accounting fees. Shareholder communication expenses totaled \$74,544 (Q2 2017 - \$21,961) which included filing and listing, transfer agent and investor relation fees. The increase is due to the higher transfer agent fees and an increase in shareholder and investor relation activities.

The Company recorded nil (Q2 2017 - \$600,050) in share-based compensation. In Q2 2017, the Company granted 3,466,500 stock options to directors, officers and consultants to the Company.

During the three months ended June 30, 2018, a gain of \$5,487 (Q2 2017 - \$27,642) was recognized relating to a deferred flow-through premium initially recognized from the December 2017 private placement.

Six Months Ended June 30, 2018 to Six Months Ended June 30, 2017

For the six months ended June 30, 2018, the Company recorded a net loss of \$477,081 (2017 - \$3,336,519). Total comprehensive loss was \$477,081 for the six months ended June 30, 2018 (2017 - \$3,339,285).

Exploration expenditures were \$189,259 for the first half of 2018 (2017 - \$2,365,697). In 2017, the Company recorded property acquisition costs of \$1,959,990 for the Holdsworth and Charlevoix properties. The Company did not have any acquisitions in the first six months of 2018.

Salaries, professional and consulting fees totaled \$126,273 for the period (2017 - \$251,099) due to lower legal and consulting fees in 2018 compared to 2017. Shareholder communication was \$112,881 for the period (2017 - \$50,608) due to an increase in investor relation activities and higher listing fees in 2018 when compared to 2017.

Share-based compensation was \$23,882 for the first six months of 2018 (2017 - \$600,050) with the decrease due to fewer stock options being granted and vested during 2018 compared to 2017. The Company granted 2,525,000 stock options in July 2018 (*See Capital section above*).

The Company recorded a deferred flow-through premium of \$18,000 for the period (2017 - \$45,400). The decrease is due to a reduction in exploration expenditures in 2018 when compared to 2017.

Summary of Quarterly Information

	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Statement of Loss and Comprehensive Loss				
Exploration expenditures	\$ 63073.68	\$ 126,185	\$ 1,176,949	\$ 359,417
Share-based payments	-	23,882	-	-
Net (loss) income	(244,486)	(244,486)	(1,286,819)	(472,062)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.02)	\$ (0.01)
Statement of Financial Position				
Cash & cash equivalents	\$ 687,914	\$ 950,239	\$ 1,174,271	\$ 782,711
Total assets	741,706	1,134,989	1,560,275	944,809
Total liabilities	1,295,293	1,444,089	1,660,662	1,420,845
Shareholders' deficiency	\$ (553,586)	\$ (309,100)	\$ (100,387)	\$ (476,036)

	Q2 2017	Q1 2017	Q4 2016	Q3 2016
Statement of Loss and Comprehensive Loss				
Exploration expenditures	\$ 1,221,433	\$ 1,144,264	\$ -	\$ -
Share-based payments	600,050	-	-	-
Net (loss) income	(1,949,974)	(1,367,506)	(291,230)	733,631
Basic and diluted earnings (loss) per share	\$ (0.03)	\$ (0.02)	\$ (0.00)	\$ 0.00
Statement of Financial Position				
Cash & cash equivalents	\$ 540,845	\$ 757,356	\$ 604,464	\$ 10,106
Total assets	630,768	1,091,473	1,103,674	634,578
Total liabilities	1,460,872	1,619,813	1,813,515	1,567,578
Shareholders' deficiency	\$ (830,104)	\$ (528,340)	\$ (709,841)	\$ (933,000)

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 March 31, 2018, the Company has issued 5,225,000 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 Silica 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 the three months ended June 30, 2018 and 2017 was as follows:

	Q2 2018	Q2 2017
Cash used in operating activities	\$ (204,522)	\$ (491,470)
Cash (used in) provided by investing activities	-	-
Cash (used in) financing activities	(57,801)	-

Cash flow (used in)/provided by for the six months ended June 30, 2018 and 2017 was as follows:

	Six Months Ended June 30,	
	2018	2017
Cash used in operating activities	\$ (415,254)	\$ (1,116,739)
Cash (used in) provided by investing activities	(13,302)	174,334
Cash (used in) provided by financing activities	(57,801)	603,827

As of June 30, 2018, the Company had a working capital deficit of \$584,975 (December 31, 2017 – deficit of \$126,719).

There were no changes in the Company's approach to capital management during the three and six months ended June 30, 2018.

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:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Short-term benefits ⁽¹⁾	\$ 24,050	\$ 43,475	\$ 48,958	\$ 86,951
Share-based payments ⁽²⁾	-	307,252	23,882	307,252
Total	\$ 24,050	\$ 350,727	\$ 72,840	\$ 394,203

⁽¹⁾ Includes salary and professional fees.

⁽²⁾ Represents the expense of stock options vested during the year.

As of June 30, 2018, the following related party balances were outstanding:

Included in accounts payable and accrued liabilities is an amount of \$50,523 (December 31, 2017 - \$214,311) related to exploration, rent and general & administrative charges from a company under common management. On June 6, 2018, the Company made a payment of \$57,801 to a company under common management as repayment for a loan with a principal amount of \$50,000 and accrued interest \$7,801.

Outstanding Share Data

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

As of August 28, 2018, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

<u>Common Shares</u>	<u>Number</u>
Outstanding	84,025,083
Issuable upon the exercise of share purchase warrants ⁽¹⁾	33,287,209
Issuable upon the exercise of stock options ⁽²⁾	6,076,500
<u>Diluted common shares</u>	<u>123,388,792</u>

(1) There were 33,287,209 share purchase warrants outstanding with exercise prices ranging from \$0.06 to \$0.30 per warrant and expiry dates from December 22, 2019 and March 7, 2022.

(2) There were 6,076,500 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 and expiry dates from May 22, 2022 and February 20, 2023.

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.

The Company's significant accounting policies and estimates are disclosed in Notes 2 and 3 of the Company's most recent annual financial statements.

New and Amended Standard Adopted by the Company

The following accounting standard was adopted by the Company as of January 1, 2018. The impact of the adoption of this standard and the new accounting policies are disclosed below:

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* ("IFRS 9") replaces the provisions of IAS 39 *Financial Instruments, Recognition and Measurement* ("IAS 39") that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 on January 1, 2018 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. The Company has applied the changes in accounting policies retrospectively; however, in accordance with the transitional provisions in IFRS 9, comparative figures have not been restated. The reclassifications and adjustments are recognized in the opening balance sheet as at January 1, 2018 as summarized below.

- The Company has made an irrevocable election under IFRS 9 to classify its investments in equity securities at fair value through profit and loss. This election is available on an instrument-by-instrument basis. Previously these investments were classified as available-for-sale under IAS 39. Changes in the fair value of these investments are recognized in the statement of loss. On adoption of IFRS 9, the Company recorded an adjustment of \$17,358 to opening deficit with a corresponding decrease in accumulated other comprehensive loss to reclassify the accumulated losses in these investments to accumulated deficit.

Except as noted above, the adoption of IFRS 9 did not result in the carrying values of the Company's financial instruments on January 1, 2018.

New Accounting Standards Issued But Not Yet Effective

IFRIC 23 Uncertainty Over Income Tax Treatments

In June 2017, the IFRS Interpretation Committee issued IFRIC 23, which clarifies how the recognition and measurement requirements of IAS 12 *Income Taxes* are applied where there is uncertainty over income tax treatments. IFRIC 23 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted. The Company is in the process of assessing the impact of IFRIC 23 on the financial statements.

IFRS 16 Leases

In January 2016, the IASB issued IFRS 16 *Leases*, which requires lessees to recognize assets and liabilities for most leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019 and is to be applied retrospectively with early adoption permitted, provided IFRS 15 *Revenue From Contracts With Customers* has been applied or is applied at the same date as IFRS 16. The Company does not anticipate early adoption and is assessing the impact of adoption of this new standard on the financial statements.

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.

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.