



**MacDonald Mines Exploration Ltd.**

**Management's Discussion and Analysis**

Three and Nine Months Ended September 30, 2020 and 2019

(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 November 24, 2020 and should be read in conjunction with MacDonald Mines' condensed interim unaudited financial statements and related notes for the three and nine months ended September 30, 2020 and 2019. The condensed interim unaudited 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 financial statements in accordance with International Accounting Standard 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' condensed interim unaudited financial statements and related notes for the three and nine months ended September 30, 2020 and 2019 and the corresponding notes to the financial statements which are available on our website at [www.macdonaldmines.com](http://www.macdonaldmines.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).*

## **Business Overview and Strategy**

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MacDonald Mines is a publicly listed corporation trading 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 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 September 30, 2020, the Company had 15 employees, including its President & Chief Executive Officer, as well as a number of independent contractors who provide certain professional, administrative and geological services to the Company. The independent contractors include 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, 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 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 develop 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

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### Capital

#### *Fiscal 2020*

On February 18, 2020, the Company granted 4,725,000 stock options to directors, officers, employees, and consultants at an exercise price of \$0.08. These five-year options vested immediately upon grant and had a fair value of \$324,679. See note 14(b) to the condensed interim unaudited financial statements.

On April 21, 2020, the Company closed a non-brokered private placement offering of securities for total gross proceeds of \$994,781. The Company issued a total of 7,350,428 flow-through common shares at a price of \$0.07 per share and 7,388,480 units at a price of \$0.065 per unit. Each unit comprised one common share in the capital of the Company and one half of one common share purchase warrant, with each warrant being exercisable to acquire one common share at a price of \$0.10 per share for a period of 24 months following the closing date of the placement. In connection with the placement, the Company paid finders fees of \$65,242 and issued 396,216 common shares of the Company to such finders in connection with the flow-through shares and/or units subscribed for by purchasers introduced to the Company by such finders. The fair value of the warrants issued under the financing was \$0.06 per warrant.

On August 5, 2020, the Company closed a non-brokered private placement offering of securities for total gross proceeds of \$4,245,850 consisting of: (i) 9,332,223 “charity flow-through” units at a price of \$0.135 each (the “Charity FT Unit Offering”) and (ii) 29,860,000 “flow-through” units at a price of \$0.10 each (the “FT Unit Offering” and, together with the Charity FT Unit Offering, the “Offering”). Each unit is comprised of one common share and one-half of one common share purchase warrant. Each warrant shall be exercisable to acquire one common share at a price of \$0.20 for a period of 24 months from the closing of the Offering. If the closing price of the common shares is at a price equal to or greater than \$0.35 for a period of 10 consecutive trading days, MacDonald will have the right to accelerate the expiry date of the warrants by giving notice, via a news release, to the holders of the warrants that the warrants will expire on the date that is 30 days after the issuance of said news release. In connection with the closing the Company paid cash commissions of \$179,850 and issued 1,683,500 finder's warrants pursuant to and in accordance with applicable securities laws and TSX Venture Exchange policy. The finder's warrants have the same terms as the warrants. The offering was approved by the TSX Venture Exchange and the securities issued in the Offering are subject to a statutory four months hold period. The fair value of the warrants issued under the charity flow-through financing and the flow-through financing was \$0.03 per warrant.

On August 21, 2020, the Company granted 4,395,560 stock options to directors, employees, officers and consultants at an exercise price of \$0.13 per common share. These five-year options vested immediately upon grant and had a fair value of \$449,592. See note 14(b) to the condensed interim unaudited financial statements.

On September 14, 2020, the Company issued 409,091 common shares in relation to the Jovan-Powerline property agreement. The fair value of the shares issued was \$45,000. See below.

On September 30, 2020, the Company issued 300,000 common shares in relation to the Loney property acquisition. The fair value of the shares issued was \$30,000. See below.

#### *Fiscal 2019*

On August 13, 2019, the Company closed the first tranche of a non-brokered private placement financing for gross proceeds of \$482,000. The Company issued 7,700,000 units at a price of \$0.05 per unit and 1,940,000 flow-through common shares at a price of \$0.05 per share. Each unit consisted of one common share and one-half of one common share purchase warrant exercisable for a period of two years at an exercise price of \$0.075 per purchase warrant. As part of the financing the Company paid \$10,180 cash commission, issued 28,000 compensation shares to certain brokers and issued 140,000 non-transferable compensation options giving the holder thereof the option to acquire common shares for a period of 24 months from the date of issuance at an exercise price of \$0.05 per compensation options. The fair value of the compensation units and the warrants issued under this tranche was \$0.05 per unit.

On August 13, 2019, the Company issued 800,000 common shares in connection with the Jovan and Powerline property acquisitions. The fair value of the shares issued was \$40,000.

On August 15, 2019, the Company issued 3,000,000 common shares in connection with the Blueberry property acquisition. The fair value of the shares issued was \$150,000.

On August 26, 2019, the Company closed the second tranche of a non-brokered private placement financing for gross proceeds of \$518,000. The Company issued 10,160,000 units at a price of \$0.05 per unit and 200,000 flow-through common shares at a price of \$0.05 per share. Each unit consisted of one common share and one-half of one common share purchase warrant exercisable for a period of two years at an exercise price of \$0.075 per purchase warrant. As part of the financing the Company paid \$34,040 cash commission and issued 656,000 non-transferable compensation options giving the holder thereof the option to acquire common shares for a period of 24 months from the date of issuance at an exercise price of \$0.05 per compensation option. The fair value of the compensation options and the warrants issued under this tranche was \$0.05 per unit.

On September 4, 2019, the Company issued 8,000,000 common shares in connection with the Currie Rose property agreement. The fair value of the shares issued for the property was \$640,000. 514 Finance Inc. (“514”) acted as an arms-length advisor for this transaction and the Company issued 2,000,000 common shares for its services. The fair value of the common shares issued to 514 was \$160,000.

On September 10, 2019, the Company issued 10,000,000 common shares in relation to the Northern Sphere property agreement. The fair value of the common shares issued was \$900,000.

On October 7, 2019, the Company closed a non-brokered private placement for aggregate gross proceeds of \$1,500,000. Pursuant to the placement, the Company issued 18,750,000 units at a price of \$0.08 per unit, each such unit comprised of one common share of the Company and one share purchase warrant. Each warrant is exercisable to acquire one common share for a period of three years from the date of issuance at a price of \$0.11. The Company paid a total of \$10,750 in service fees in connection with the Offering. The fair value of the warrants issued under the financing was \$0.14 per warrant.

On November 8, 2019, the Company issued a total of 2,075,000 shares in connection with the property acquisitions of the Loney property (200,000 shares) and the Golden Copper property (1,875,000 shares). The fair value of the shares issued was \$20,000 and \$187,500, respectively.

On December 18, 2019, the Company closed a non-brokered private placement of 1,480,000 flow-through common shares of the Company at a price of \$0.125 per common share for gross proceeds of \$185,000. In connection with this closing, the Company paid finders fees of \$7,000 and issued 56,000 compensation warrants, with each compensation warrant exercisable to acquire one common share of the Company at a price of \$0.125. The fair value of the compensation warrants issuable under the financing was \$0.05 per warrant. As a result of the flow-through financing the Company recognized a deferred flow-through premium of \$66,600.

During 2019, the Company granted 3,105,000 stock options to directors, officers, employees and consultants at an exercise price of \$0.10. These five-year options vested immediately upon grant and had a fair value of \$247,489.

During 2019, the Company issued 28,532,000 warrants as part of equity financings at a weighted average exercise price of \$0.11. Also, during 2019, 4,981,886 warrants were exercised at a weighted average exercise price of \$0.10 and 14,539,743 warrants expired at a weighted average exercise price of \$0.12.

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

### *Scadding-Powerline-Jovan (“SPJ”) Property*

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

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. The site was initially mined by Northgate Exploration in the 1980’s.

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

- issued 10,000,000 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-month period following acquisition of the Scadding Mine (this amount has now been incurred).

The agreement with Northern Sphere is subject to both a standstill clause and voting requirements.

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

- issued 8,000,000 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 over a three-year period (this amount has now been incurred).

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 in exchange for a reduction of 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 2,000,000 common shares of the Company.

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 3,000,000 common shares. The deal closed on August 15, 2019 and the fair value of the common shares issued was \$150,000.

On September 2, 2019, the Company entered into an agreement with Klondike Bay Resources (Loney Property) to acquire a 100% interest in 151 claims in the Wanapitei Lake area, 33 kilometres northeast of Sudbury, Ontario. The claims are contiguous to MacDonald's property and cover prospective extensions of the gold-rich Iron-Oxide-Copper-Gold ("IOCG") system identified at the Scadding Mine. The consideration payable by the Company is as follows:

- \$20,000 and 200,000 common shares on signing of the agreement;
- \$30,000 and 300,000 common shares on or before the first anniversary of the agreement; and
- \$30,000 and 250,000 common shares on or before the second anniversary of the agreement.

The Company made the cash payment of \$20,000 upon signing the definitive agreements. On November 8, 2019, the Company issued 200,000 common shares, the fair value of which was \$20,000. The 300,000 common shares due on the first anniversary of the agreement were issued on September 30, 2020, with a fair value of \$33,000, while the \$30,000 cash due was paid subsequent to September 30, 2020.

On October 2, 2019, the Company entered into an agreement with Golden Copper Corp. to purchase 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 1,875,000 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 914 kilograms 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.

#### Holdsworth Property

On August 24, 2020, MacDonald sold all of its interest in the Holdsworth Property back to Nobel Mineral Exploration Inc. ("Noble"). As consideration for the property, Noble issued to MacDonald 4,000,000 common shares of Noble, as well as 2,000,000 warrants which expire 3 years after issuance and are exercisable at \$0.15 per common share of Noble. The fair value of the total consideration received was valued at \$481,419.

### McFaulds Lake and Area Properties

During 2020, the Company sold its 25% interest in the McFaulds Lake and area properties to Juno Corp. (“Juno”), a private company. As consideration for the properties, the Company received \$55,000 cash and 500,000 common shares in the capital of Juno.

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

### ***September 30, 2020***

	SPJ	Charlevoix	Total
Balance, January 1 2020	\$ 3,953,569	\$ 689,218	\$ 4,642,787
Property acquisition costs	144,000	-	144,000
Exploration expenditures	1,988,551	-	1,988,551
<b>Balance, September 30, 2020</b>	<b>\$ 6,086,120</b>	<b>\$ 689,218</b>	<b>\$ 6,775,338</b>
Balance, January 1 2019	\$ 551,718	\$ 689,218	\$ 1,240,936
Property acquisition costs	2,257,353	-	2,257,353
Exploration expenditures	1,144,498	-	1,144,498
Balance, December 31, 2019	\$ 3,953,569	\$ 689,218	\$ 4,642,787
Balance, January 1, 2018	\$ -	\$ 687,060	\$ 687,060
Property acquisition costs	57,500	-	57,500
Exploration expenditures	494,218	2,158	496,376
Balance, December 31, 2018	\$ 551,718	\$ 689,218	\$ 1,240,936

### **Outlook**

In the spring of 2019, the Company acquired the Scadding Mine, located in the Scadding Township near the Wanapitei – Ashigami Lake district, 40 kilometres east of Sudbury, Ontario. In the late summer of 2019, the Company purchased an additional 151 claims in the Wanapitei Lake area, 33 kilometres east of Sudbury, Ontario. The additional claims expanded the SPJ property to the north and east of the existing property boundaries. With the purchase of the Scadding Mine and the acquisition of additional prospective target ground the Company controls 18,340 hectares on its SPJ Property that is an under-explored, polymetallic gold district that exhibits similarities to the Idaho Cobalt Belt and Tennant Creek District with IOCG-like mineralization.

Gold mineralization on the SPJ property, which can also be enriched in copper, cobalt, nickel, rare earth elements and silver occurs in the deformed sedimentary rocks of the Huronian Supergroup and diabase intrusions of the Nipissing suite. Polymetallic mineralization is principally associated with a regional albitization that occurred between 1690Ma – 1740Ma and affected most of the Southern Province of Ontario. Sodic alteration occurs along kilometer-long structural corridors and was not always recognized and often confused with quartzite, silicification and chert. Very intense sodic alteration led to the formation of albitites with Na<sub>2</sub>O reaching up to 10 wt. %. We believe the sodic alteration zones are tracing areas of enhanced permeability for the circulation of metal-bearing fluids and are preferentially hosting zones of polymetallic gold mineralization (Au, Co, Cu, Ni, Ag, REE). The metal assemblages present in the zones of mineralization, the association of gold mineralization with iron-rich alteration, the formation of significant zones of iron oxide alteration, and the formation of regional corridors of sodic alteration suggests that mineralization on the SPJ property relates to an IOCG system. This is an

atypical style of gold mineralization in a Canadian context, but comparable gold-rich mineralization associated with IOCG hydrothermal systems occur in Finland, Australia and the United States.

The 2019 and 2020 exploration programs comprised regional prospecting and targeted diamond drilling on the SPJ Property, focusing on expanding the known zones of mineralization, understanding the geological controls on mineralization, and proving the grade and distribution of gold and other metals like copper, cobalt, nickel and silver in zones of mineralization. The inaugural drill program on the SPJ Project commenced during the summer of 2019 and extended to November of 2020 with periodic breaks. The drilling program focused on confirming and expanding zones of high-grade gold mineralization in the Scadding deposit. To date 74 drill holes have been completed for a total of 11,510 meters.

In the winter of 2020 and then in the summer of 2020, the Company completed multiple induced polarization (IP) surveys over the core zones of the Scadding deposit, over key showings of the property and the interpreted extension of the mineralization trends. The IP survey indicated that the mineralized system at Scadding is controlled by a series of folds in the sedimentary rocks and that the hydrothermal and structural footprints of the system considerably extends beyond the currently known footprints of the deposit.

In August 2020, drilling restarted with an initial 4,350 metres of an anticipated 14,000 metres drill program to further define the geometry of the Scadding Deposit with its newly discovered zones and extensions. This includes mineralization around and beyond the North, South and E-W pits, and the Scadding underground. The second phase of the 2020 program include drill holes targeting a series of folds and hinge zones that were identified as host of the zones of higher-grade gold mineralization at Scadding. Drilling results obtained to date during the 2019 and 2020 drilling programs are presented in the table below. Groundwork, geophysics and drilling also continued on the several other regional targets on the large SPJ property. The company completed 5 ground IP surveys, one centered on the Scadding Deposit and that covers the Glade showings one 1 km to the south, three in the Jovan sector of the property covering the Brady, Palkovits and Limestone showings, and one in the Powerline sector covering the Long Trench showing. The results of the larger IP surveys which are yet to be completely received, are enabling MacDonald to further refine its predictive modeling and select its targeting as it continues exploration beyond the historic Scadding mine footprint. We intend to produce a 43-101 resource once a critical volume of mineralized rocks is achieved.

#### Highlights of Scadding drilling programs to date:

Hole	From (m)	To (m)	From (m)	To (m)	Length (m)*	Visible gold	Gold (g/t)
SM-19-001	8.67	15.88			7.21		<b>11.2</b>
	Including		14.95	15.88	0.93		<b>77.2</b>
	25.2	30.71			5.51		<b>5.7</b>
	Including		27.31	28.71	1.40	VG	<b>17.2</b>
	37.84	50.11			12.27		<b>52.0</b>
	Including		45.95	46.7	0.75	VG	<b>361.2</b>
	Including		46.7	47.85	1.15	VG	<b>179.2</b>
	Including		47.85	48.9	1.05		<b>136.5</b>
SM-19-002	21.2	27.83			6.63		<b>9.7</b>
	Including		23.74	24.72	0.98	VG	<b>39.0</b>
	32.34	38.77			6.43		<b>3.4</b>
	Including		37	37.93	0.93	VG	<b>13.4</b>
	43.15	47.63			4.48		<b>6.0</b>
	Including		43.15	44.02	0.87	VG	<b>23.2</b>
SM-19-003	27.88	34.02			6.14		<b>11.1</b>
	Including		31.42	32.2	0.78	VG	<b>38.8</b>

Hole	From (m)	To (m)	From (m)	To (m)	Length (m)*	Visible gold	Gold (g/t)
	127.07	128.87			1.80		3.3
SM-19-004	11.2	13.2			2.00		7.4
	73.75	75.12			1.37		3.0
	83.91	84.75			0.84	VG	20.4
	49.5	50.33			0.83	VG	13.4
SM-19-005	59.67	60.35			0.68	VG	1.8
	73.13	74			0.87	VG	40.6
	106.2	107.2			1.00	VG	15.2
	284.78	287.33			2.55		1.2
SM-19-006	296.21	300.44			4.23		1.3
	236.2	237.32			1.12		
SM-19-008	129.16	130			0.84		21.6
	134.31	135.16			0.85	VG	4.2
	154.16	156.36			2.20	VG	1.1
	179.1	186.13			7.03		0.5
SM-19-009	6.19	10			3.81	VG	1.0
	21.8	22.8			1.00		0.4
	24.8	25.8			1.00		0.7
	35.45	36.47			1.02		0.5
	134	135.05			1.05		1.7
	165.08	166			0.92		3.4
SM-19-010	195.05	207.55			12.50		0.5
	Including		195.66	196.66	1.00		2.2
	244.1	250.62			6.52		0.4
SM-19-011	21.47	22.45			0.98		1.7
SM-19-012	49.7	54.63			4.93		9.5
	Including		51.5	52	0.50	VG	35.8
	Including		54.19	54.63	0.44	VG	24.1
	71.8	74.77			2.97		1.7
	89.64	93.5			3.86		4.2
	105.9	115.33			9.43		4.1
	Including		109.97	110.87	0.90		9.2
SM-19-013	44.65	48.16			3.51		0.7
SM-19-014	50.42	54.95			4.53		4.3
	Including		52.75	53.92	1.17		8.8
SM-19-015	29.2	30.25			1.05		
	70	71.18			1.18		
SM-19-016	53.15	56.93			3.78		0.8
	91.26	99.11			7.85		12.1
	Including		97.1	98.1	1.00		71.1



Hole	From (m)	To (m)	From (m)	To (m)	Length (m)*	Visible gold	Gold (g/t)
SM-19-017	68.34	80			11.66		2.7
	Including		73	74.37	1.37		13.4
SM-19-018	31.45	32.52			1.07	VG	4.0
SM-19-019	No significant value (missed zone because of drilling orientation)						
SM-19-020	68.5	81.7			13.20		0.1
	Including		69.7	71.9	2.20		0.1
	Including		79.38	81.7	2.32		0.2
SM-19-021	34.32	35.44			1.12		0.3
	64.98	67			2.02		
SM-19-022	16	20.98			4.98	VG	10.97
	Including		16	17	1.00		9.56
	Including		17	17.9	0.90		8.63
	Including		17.9	18.95	1.05		7.95
	Including		18.95	19.99	1.04		9.58
	Including		19.99	20.98	0.99	VG	20.47
	23	25			2.00		0.7
	28	42.2			14.20	VG	10.8
	Including		34	34.95	0.95	VG	70.8
	Including		38.37	39.27	0.90	VG	28.7
55.36	56.4			1.04		0.1	
SM-19-023	No significant value (intersected Sudbury diabase dyke)						
SM-19-024	11.9	21.21			9.31		0.7
	Including		17.03	18.06	1.03		2.9
	156	166			10.00		0.5
	Including		159.02	160.95	1.93		1.3
199.92	201.85			1.93		0.1	
SM-19-025	10.26	14.8			4.54		5.5
	Including		12	14.8	2.80	VG	7.7
	20.5	22.14			1.64		0.8
	87.57	89.5			1.93	VG	2.4
SM-20-026	58.98	78.05			19.07	VG	59.2
	Including		71	72.07	1.07		25.1
	Including		72.07	73	0.93		411.0
	Including		73	73.96	0.96	VG	735.5
SM-20-027	No significant value (intersected Sudbury diabase dyke)						
SM-20-028A	37.3	38.55			1.25		4.21
SM-20-029	37.65	40.1			2.45		0.83
SM-20-030	93.55	94.88			1.33		0.60
	99.31	100.25			0.94		0.60
SM-20-031	61.35	62.35			1.00		5.90

Hole	From (m)	To (m)	From (m)	To (m)	Length (m)*	Visible gold	Gold (g/t)
	94.3	95.77			1.47	VG	1.96
	Including		94.3	95	0.70		2.68
	Including		95	95.77	0.77	VG	1.30
	101.34	107.1			5.76	VG	0.62
	Including		102.6	103.3	0.70		1.57
	Including		103.3	104.04	0.74		0.54
	Including		104.8	105.55	0.75		0.76
	Including		106.3	107.1	0.80	VG	1.14
	118.1	119.45			1.35	VG	4.20
	Including		118.1	118.77	0.67		1.99
	Including		118.77	119.45	0.68	VG	<b>6.38</b>
SM-20-032	35.04	36.85			1.81	VG	<b>16.10</b>
	Including		30.54	35.54	0.50	VG	<b>40.70</b>
SM-20-033	64.7	66.1			1.40	VG	3.69
	Including		64.7	65.36	0.66	VG	0.65
	Including		65.36	66.1	0.74		<b>6.40</b>
	74.2	75.31			1.11	VG	0.6
SM-20-034	103.4	105.74			2.34		0.80
	108	109			1.00		0.80
	114.49	118.62			4.13	VG	<b>3.70</b>
	Including		116.25	117.35	1.10	VG	<b>10.21</b>
	156.5	157.3			0.80		0.90
	170.06	172.95			2.89		0.80
SM-20-035	132.3	137			4.80	VG	<b>4.37</b>
	Including		134.77	135.45	0.68	VG	<b>0.74</b>
	Including		135.45	136.13	0.68	VG	<b>14.65</b>
SM-20-036	34	35.81			1.81		
	136.54	137.4			0.86		1.77
	137.4	138.39			0.99		3.44
SM-20-037	No significant results						
SM-20-038	2.77	4.27			1.50		0.96
	130.3	132.51			2.21	VG	0.75
	Including		131.51	132.51	1.00	VG	0.46
SM-20-039	No significant results						
SM-20-040	No significant value (intersected Sudbury diabase dyke)						
SM-20-041	11.76	16.89			5.13	VG	27.20
	Including		11.76	12.73	0.97	VG	23.60
	Including		15.02	15.86	0.84	VG	34.40
	Including		15.86	16.89	1.03	VG	79.30
SM-20-042	21.85	23.17			1.32		

Hole	From (m)	To (m)	From (m)	To (m)	Length (m)*	Visible gold	Gold (g/t)
	27.07	28.27			1.20		
SM-20-043	3.72	9.76			6.04		6.04
	Including		6.54	7.41	0.87		9.20
	40	42.05			2.05		3.00
SM-20-044	No significant results						
SM-20-045	No significant results						
SM-20-046	68.92	70.15			1.23		
	79.65	80.63			0.98		
	83.09	88.17			5.08		
	121.1	122.6			1.50		4.83
SM-20-047	57.16	60			2.84		0.7
	78.35	80.26			1.91	VG	1.2
SM-20-048	48.71	51.16			2.45		0.46
	133.47	137.1			3.63	VG	1.54
	Including		134.3	135.13	0.83	VG	0.70
	Including		136.11	137.1	0.99	VG	4.36
SM-20-049	31.82	43.62			11.80		0.71
	49.14	51.73			2.59	VG	1.35
	Including		49.91	50.68	0.77	VG	2.79
SM-20-050	No significant results						
SM-20-051	No significant results						
SM-20-052	No significant results						
SM-20-053	No significant results						
SM-20-054	No significant results						
SM-20-055	No significant results						
SM-20-056	No significant results						
SM-20-057	113.9	115.17			1.27	VG	0.71
SM-20-058	150.53	158.07			7.54		0.64
	162.48	176.3			13.82		0.83
SM-20-059	70.73	73			2.27		2.41
	77.81	85.63			7.82		0.98
	161.04	168.57			7.53		1.47
SM-20-062	30	47.06			17.06	VG	3.90
	Including		30.88	32.19	1.31	VG	<b>7.38</b>
	Including		39.4	40.4	1.00		<b>20.54</b>
	Including		42.55	43.74	1.19		<b>17.61</b>
SM-20-063	43.14	47.89			4.75	VG	<b>10.29</b>
	Including		43.14	44.14	1.00	VG	<b>7.24</b>
	Including		45.08	46	0.92		<b>19.50</b>
	Including		46	47.04	1.04		<b>10.65</b>

Hole	From (m)	To (m)	From (m)	To (m)	Length (m)*	Visible gold	Gold (g/t)
	Including		47.04	47.89	0.85		<b>9.82</b>
SM-20-064	No significant results						
SM-20-065	4	17.23			13.23	VG	<b>7.18</b>
	Including		9.1	10.19	1.09	VG	<b>41.44</b>
	and		13.69	14.69	1		<b>22.6</b>
	165.24	171.32			6.08		0.44
SM-20-066	Intersected the Scadding Mine – Stopped before reaching the targeted zone						

\* Assay results presented over core length.

In October 2019, the Company filed a National Instrument 43-101 technical report for the SPJ Project on SEDAR. The report highlights recent high-grade gold results from the ongoing drill program and outlines recommended exploration work going forward.

The Company continues to identify and analyze, potential new prospective projects to acquire in Canada and recently completed a private placement to fund the Company's exploration activities.

## Results of Operations

### *Third Quarter ended September 30, 2020 (Q3 2020)*

The Company realized a net loss in the third quarter of 2020 of \$1,313,031 (Q3 2019 – net loss of \$1,936,402) due to a significant increase in exploration activities, as well as shareholder communication expenses.

The Company incurred \$1,230,545 in exploration expenditures in Q3 2020 (Q3 2019 - \$1,624,293) relating to exploration activity on the SPJ property.

Salaries, professional and consulting fees for the third quarter of 2020 resulted in a recovery of \$49,513 (Q3 2019 - \$200,587) due to some employee salaries being reallocated to exploration expenditures from prior quarters.

Shareholder communication expenses in the current quarter totaled \$65,889 (Q3 2019 – \$57,737) which included filing and listing, transfer agent and investor relation fees. The increase is due to the private placement that took place during the current quarter.

During the quarter ended September 30, 2020, the Company entered into an agreement with Noble to sell all of its' interest in the Holdsworth Property back to Nobel. As consideration for the property, the Company received \$4,000,000 common shares of Nobel, as well as 2,000,000 warrants, exercisable at \$0.15 per common share for a period of 36 months after issuance. The fair value of the common shares received on August 24, 2020 was \$0.09 each, Noble's closing price on August 24, 2020, while the fair value of the warrants received was \$0.06 each, using the Black-Scholes model. The fair value of the total consideration received was valued at \$481,419 and recorded as other income in the statement of loss and comprehensive loss. The shares and the warrants are subject to a 4 month hold period.

### *Nine Months ended September 30, 2020*

The Company realized a net loss during the nine months ended September 30, 2020 of \$2,186,673 (YTD Q3 2019 – net loss of \$1,965,513) due to a significant increase in exploration activities, as well as shareholder communication expenses.

The Company incurred \$2,132,551 in exploration expenditures in YTD Q3 2020 (YTD Q3 2019 - \$1,644,295) due to an increase in exploration activity on the SPJ property.

Salaries, professional and consulting fees in the current nine month period were \$178,787 (YTD Q3 2019 - \$228,023) due to some employee salaries been moved to exploration expenditures.

Shareholder communication expenses in the current nine month period totaled \$255,465 (YTD Q3 2019 – \$75,019) which included filing and listing, transfer agent and investor relation fees. The increase is due to the two private placements that occurred during the period.

During the nine months ended September 30, 2020, \$42,822 (YTD Q3 - \$2,891) was recognized relating to a deferred flow-through premium.

During the nine months ended September 30, 2020, there was a \$716,875 recovery against a previously accrued flow through provision (YTD Q3 2019 - \$nil).

During the nine months ended September 30, 2020, the Company sold its remaining interest in the McFaulds Lake and area properties to Juno for the consideration noted above.

During the quarter ended September 30, 2020, the Company sold all of its interest in the Holdsworth Property back to Nobel for the consideration noted above.

## Summary of Quarterly Information

(Expressed in Canadian dollars)

	Q3 2020	Q2 2020	Q1 2020	Q4 2019
<b>Statement of Loss and Comprehensive Loss</b>				
Exploration expenditures	\$ 1,230,545	\$ 265,636	\$ 636,371	\$ 1,629,510
Share-based payments	449,592	-	324,679	247,489
Net loss	(1,313,031)	(480,019)	(393,623)	(2,040,945)
Basic and diluted loss per share	\$ (0.01)	\$ (0.00)	\$ (0.00)	\$ (0.02)
<b>Statement of Financial Position</b>				
Cash & cash equivalents	\$ 3,676,686	\$ 762,348	\$ 536,717	\$ 847,448
Total assets	4,329,656	957,101	688,621	1,335,729
Total liabilities	1,011,073	761,370	924,729	1,499,288
Shareholders' equity (deficiency)	\$ 3,318,583	\$ 195,730	\$ (236,109)	\$ (163,559)
	Q3 2019	Q2 2019	Q1 2019	Q4 2018
<b>Statement of Loss and Comprehensive Loss</b>				
Exploration expenditures	\$ 1,624,293	\$ 146,575	\$ 20,002	\$ 579,195
Share-based payments	-	-	-	-
Net loss	(1,936,402)	(205,922)	(98,368)	(575,672)
Basic and diluted loss per share	\$ (0.02)	\$ (0.00)	\$ (0.00)	\$ (0.01)
<b>Statement of Financial Position</b>				
Cash & cash equivalents	\$ 700,038	\$ 457,145	\$ 457,145	\$ 351,991
Total assets	766,394	566,838	566,838	460,210
Total liabilities	1,744,480	1,922,098	1,922,098	1,717,102
Shareholders' equity (deficiency)	\$ (978,086)	\$ (1,355,260)	\$ (1,355,260)	\$ (1,256,892)

## Mineral Properties

### SPJ Property

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”), which is located east of Sudbury in Northern Ontario. The Scadding Mine is located in Scadding Township near the Wanapitei – Ashigami Lakes district, 40 kilometres east of Sudbury, Ontario. The site was initially mined by Northgate Exploration in the mid-1980’s.

As part of the agreement, Currie Rose retains a 3% NSR on the property. Upon reaching commercial production, the Company has agreed to pay Currie Rose \$2,000,000 in exchange for a reduction of the NSR to 2.5%. An additional 1% of the NSR can be bought back for \$1,000,000.

On July 9, 2019, the Company entered into an agreement with Blueberry Cobalt Project Corp. to purchase a 100% interest in certain claims located in greater Sudbury, Ontario.

On September 2, 2019, the Company entered into an agreement with Klondike Bay Resources to acquire a 100% interest in 151 claims in the Wanapitei Lake area, 33 kilometres northeast of Sudbury, Ontario. The claims are contiguous to MacDonald's property and cover prospective extensions of the gold-rich IOCG system identified at the Scadding Mine.

On October 2, 2019, the Company entered into an agreement with Golden Copper Corp. to purchase a 100% interest in 38 mining claims located 35 kilometres from downtown Sudbury, Ontario. 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.

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

Please see page 4 and 5 "Exploration Activities and Property Acquisitions and Dispositions" for detailed terms of the purchase consideration for the properties comprising the SPJ Property.

### **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 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 had 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 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: (i) 5,500,000 units of the Company; (ii) the granting of 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%.

On October 25, 2018 the Company announced that it had elected to cease any further work at its Wawa-Holdsworth Project and rather focus its efforts on the Jovan and Powerline properties. The remaining shares and warrants will no longer be issued under the Purchase Agreement.

In total, the Company issued 5,225,000 units to Noble under the Purchase Agreement.

As noted above, on August 24 2020 the Company entered into an agreement with Noble to sell all of its' interest in the Holdsworth Project back to Nobel. As consideration for the property, the Company received 4,000,000 common shares of Noble, as well as 2,000,000 warrants which expire 3 years after issuance and are exercisable at \$0.15 per common share. The shares and the warrants are subject to a 4 month hold period.

## Charlevoix - Silica Property

On November 18, 2016, the Company entered into a purchase agreement with 9019-5504 Quebec Inc. to acquire a 100% interest in certain 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 each.

## McFaulds Lake and Area Properties

As noted above, during 2020, the Company sold its remaining interest in the McFaulds Lake and area properties to Juno. As consideration for the properties, the Company received \$55,000 in cash and 500,000 common shares in the capital of Juno.

## Liquidity and Capital Management

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Cash flow (used in)/provided by for the nine months ended September 30, 2020 and 2019 was as follows:

	For the nine months ended September 30,	
	2020	2019
Net cash used in operating activities	\$ (1,987,305)	(1,856,063)
Net cash (used in) provided by financing activities	\$ 4,816,543	1,014,109

At September 30, 2020, the Company had cash and cash equivalents of \$3,676,686 (Dec. 31, 2019 – \$847,448) and working capital of \$3,315,899 (Dec. 31, 2019 – working capital deficit \$170,406), respectively.

There were no changes in the Company's approach to capital management during the nine months ended September 30, 2020.

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 adverse economic or stock market 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' equity or deficit) on an ongoing basis and makes adjustments in response to changes in economic or stock market conditions and the risk characteristics of its underlying assets. Adjustments to the Company's capital structure may involve the issue of new shares, issue of 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

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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: (i) the President and Chief Executive Officer; and (ii) Chief Financial Officer.



Compensation for key management personnel of the Company for the nine months ended September 30, 2020 and 2019 was as follows:

	2020	2019
Short-term benefits <sup>(1)</sup>	176,169	60,535
Share-based payments <sup>(2)</sup>	495,603	-
	<u>671,772</u>	<u>60,535</u>

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

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

As of September 30, 2020, included in taxes and other receivables is an amount of \$31,300 (Dec. 31, 2019 – \$251,497) related to exploration, and general and administrative charges due to a company under common management. Included in accounts payable and accrued liabilities is an amount of \$65,973 (2019 - \$121,511) related to exploration, rent and general & administrative charges due from a company under common management.

## Outstanding Share Data

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

As of November 24, 2020, the number of common shares outstanding or issuable pursuant to other outstanding securities is as follows:

Common Shares	Number
Outstanding	213,294,290
Issuable upon the exercise of share purchase warrants <sup>(1)</sup>	55,185,275
Issuable upon the exercise of stock options <sup>(2)</sup>	15,380,560
Fully diluted common shares	<u>283,860,125</u>

(1) There were 55,185,275 common share purchase warrants outstanding with exercise prices ranging from \$0.05 to \$0.30 per common share.

(2) There were 15,380,560 stock options under the Company's Stock Option Plan outstanding to directors, officers and consultants with exercise prices ranging from \$0.08 to \$0.18 per common share.

## Critical Accounting Estimates

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 Notes 2 and 3 to the Company's condensed interim unaudited financial statements for the three and nine months ended September 30, 2020.

## New Accounting Standard Adopted by the Company

The following accounting standard was adopted by the Company on January 1, 2019. The impact of the adoption of this standard is disclosed below:

### IFRS 16 – Leases (“IFRS 16”)

IFRS 16 became effective for the Company on January 1, 2019 and replaced IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length and for assets of low value, IFRS 16 states

that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. The adoption of IFRS 16 did not have any impact on the Company's financial statements as it did not have any leases in place at that date and still does not have any.

## **Off-Balance Sheet Arrangements**

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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**

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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 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.

## **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 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 Issuers' Annual and Interim Filings of the Canadian Securities Regulators, were effective as at September 30, 2020, 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.

## **Novel Coronavirus ("COVID-19")**

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The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

## **Other Information**

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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**

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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 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 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.