MacDonald Mines Exploration Ltd.

Management Discussion and Analysis ("MD&A")

Financial Statement Report Date – September, 2017

Date of this Report – November 28, 2017

GENERAL
The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements of MacDonald Mines Exploration Ltd. ("the Company") for the year ended December 31, 2016, and December 31, 2015 and the notes thereto. The financial statements of the Company have been prepared by management and are in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts within this report are expressed in Canadian dollars. **In addition to reviewing this report, readers are encouraged to read the Company's public information filings on Sedar at www.sedar.com.**

The Company's shares trade on the TSX Venture Exchange under the symbol "BMK". The Company is a reporting issuer in the Canadian provinces of Ontario, Alberta, British Columbia, New Brunswick, Nova Scotia, Newfoundland, Quebec and Saskatchewan.

CAUTIONARY STATEMENT ON FORWARD LOOKING STATEMENTS
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, including the risks and uncertainties noted within this MD&A, actual events may differ materially from stated expectations.

This MD&A contains 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. Factors that could cause such differences include: changes in world commodity markets, changes in equity markets, changes in costs and supply of materials relevant to the exploration and mining industry, change in governments, changes to government mining another regulations as well as numerous other risk factors. Although the Company believes expectations reflected in its forward looking statements are reasonable, results may vary, and the Company cannot guarantee future results, levels of activity, performance or achievements.

NATURE OF ACTIVITIES
The Company is involved in the identification, acquisition and exploration of mineral properties with particular focus in Northern Ontario and Northern Quebec.

Acquisition of 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 Project"), located 25 kilometres northeast of Wawa, Ontario. The Company entered into Option Agreement 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 Wawa Holdsworth Gold and Silver Project, the Company issued 2,500,000 of its Class A Common Shares, and 2,500,000 of its Warrants to Noble, with a commitment to incur a minimum of $1,200,000 in expenditures in the 18 month period following the Effective Date. To earn the additional 24% undivided interest, the Company was required to incur a further $1,000,000 of expenditures on or before the second anniversary of the date the First Option is exercised and the Base Interest is earned, and make a payment of $100,000 to Noble.

The Agreement was subsequently amended to enable the Company to own 100% of the Property. This amended agreement supersedes the previous option agreement, thereby eliminating any remaining terms from the original option agreement. To acquire the remaining 25% interest in the Property, the Company is required as follows:

(a) Issue a total of 5,500,000 Units of the Company with each unit comprising of one common share and one share purchase warrant exercisable at $0.30 per share for a period of three years from date of issuance. In connection with the closing on June 12, 2017, the Company issued 3,800,000 units with the remaining 1,700,000 units to be issued over time to the extent that Noble's shareholdings of the Company do not exceed 9.99% of the issued and outstanding shares of the Company. On August 4, 2017, the Company issued an additional 700,000 units in relation to the outstanding 1,700,000 units referred to above.

(b) Grant Noble a 1.5% net smelter return royalty (the "NSR") on the Holdsworth Property (and any other properties acquired within a 2 mile radius of the Property). The Company will have the right to re purchase one half of the NSR for $500,000 at any time.

(c) Make a quarterly gold payment to Noble equal to 10% of the amount which is obtained by: (i) multiplying the production of gold from the Oxide Sands by the average gold price received during the quarter; and (ii) subtracting the sum of all deductions and any capital and operating costs being amortized over the life of the project, up to a maximum aggregate payment of 5,000 ounces of gold.

In addition during the period ended June 30, 2017, the Company staked an additional 14 claims covering 2,966 hectares known as "the Holdsworth West property.

<u>Charlevoix Silica Property</u>
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.

OVERALL PERFORMANCE

The net loss for the nine months ended September 30, 2017 was ($3,808,581) compared to a net income of $726,186 for the same period of the prior year.

For the comparative period, the significant items were the sale of properties ("Butler") for $750,000 and ("Hornby Property") for $78,603.and a provision in expenses aggregating $60,000 for termination costs of the former CEO and former CFO.

Net comprehensive loss for the nine months ended September, 2017 was ($5,532) (September 30, 2016: comprehensive loss of $145,165). As at September 30, 2017, the Company had an accumulated deficit of ($60,280,262) compared to ($56,471,681) as at December 31, 2016.

MINERAL EXPLORATION ACTIVITIES

Wawa-Holdsworth

Trenching on the Wawa-Holdsworth project started shortly after the HLEM survey was completed. The trenching program was completed along trend of the oxide sands; focusing on extents identified in the HLEM DATA showing responses characteristic to areas of known oxide sands. A total of 34 trenches were completed over the course of the program, with most of the trenches being completed prior to the sonic drill program, with a few trenches and test areas being executed after the Sonic Drill Program, largely due to the sonic drill being unable to access certain areas of the zone due to topography. The trenching program allowed the exploration team to identify the extent of the oxide sands, testing the depth to bedrock in strategic locations, and effectively plan the sonic drill program. All samples taken have been sent to ActLabs in Ancaster, Ontario for analysis.

The sonic drill program began in early September; a total of 402 holes for a total of 1,560 metres drilled over the course of the program. The program was completed, on-time and underbudget. The sonic drill was extremely efficient and effective in mapping the depth to bedrock in the areas of interest and testing the extents of the oxide sands. At the completion of the drill program, Golder and Associates visited the area to audit the drilling and sampling protocol prior to commencing resource modeling. All samples taken have been sent to ActLabs in Ancaster, Ontario for Analysis.

In conjunction with the drill and trenching programs, the team cleared an area near the Reed-Booth showing to map and channel sample the area to better understand the structure, mineralogy and geology.

At the completion of the sonic drill, trenching and channel sampling programs, the team packed up and demobilised from the Wawa-Holdsworth Project area. Modeling and analysis of the information gained over the year has begun to determine the next step in the strategic plan.

Details of the program can be seen in Table 1 and Figure 1.

Program	Total Trenches / Holes Drilled / Channels Cut	Total Metres
Trenching	34	877 m
Drilling	402	1562 m
Channel Sampling	7	26.05 m

Table 1: Summary of work completed on Wawa-Holdswoth Project

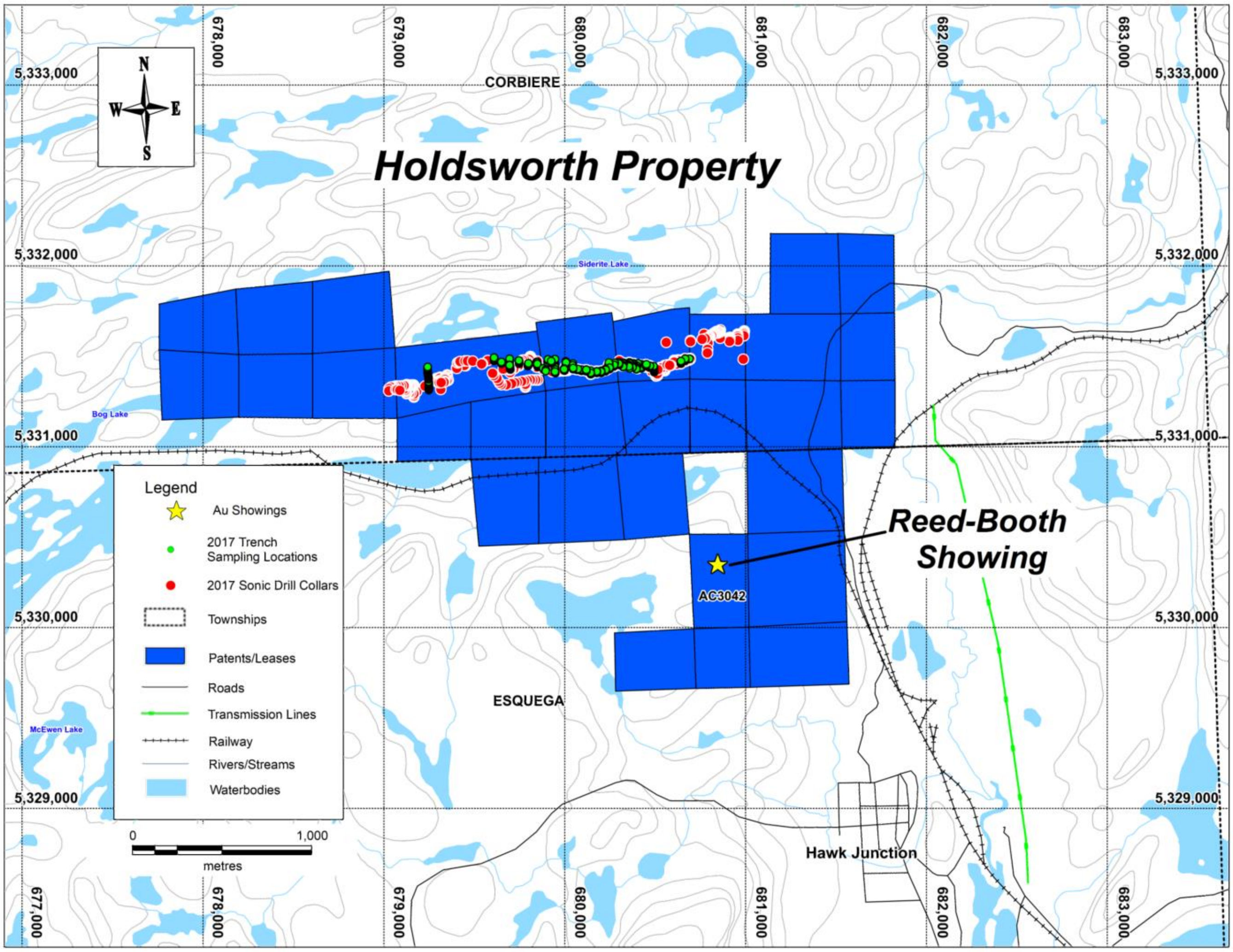

Figure 1: Holdsworth drilling, trenching and channel sampling

Batchawana Bay

No work was completed on the Batchawana Bay Project as all efforts were focussed on the Holdsworth- Wawa Project.

Charlevoix Silica

No work was completed on the Charlevoix Silica Project as all efforts were focussed on the Holdsworth- Wawa Project.

SELECTED HISTORICAL FINANCIAL DATA

The following tables set out financial performance highlights for the last eight quarters:

	Third Quarter September 30, 2017	**Second Quarter June 30, 2017**	**First Quarter March 31, 2017**	**Fourth Quarter December 31, 2016**
	$	$	$	$
Net income (loss) from operations	(472,062)	(1,970,302)	(1,366,217)	(291,230)
Income taxes	Nil	Nil	Nil	Nil
Future income taxes recovered	Nil	Nil	Nil	Nil
Net income (loss)	(472,062)	(1,970,,302)	(1,366,217)	(291,230)
Net loss per share, basic	(0.00)	(0.03)	(0.02)	(0.01)
Comprehensive gain / (loss)	(2,766)	8,665	(11,431)	145,165
Cash flow (used in) / provided by operations	(389,076)	(491,470)	(625,269)	(36,338)
Cash & cash equivalents, end of period	782,711	540,845	757,356	604,464
Assets	944,809	630,768	1,091,473	1,103,674
Future tax liabilities	Nil	Nil	Nil	Nil

	Third Quarter September 30, 2016	**Second Quarter June 30, 2016**	**First Quarter March 31, 2016**	**Fourth Quarter December 31, 2015**
	$	$	$	$
Net loss from operations	733,631	(35,549)	28,104	(110,665)
Income taxes (expense) recovery	Nil	Nil	Nil	Nil
Future income taxes recovered	Nil	Nil	Nil	(35,447)
Net loss	733,631	(35,549)	28,104	(75,218)
Net loss per share, basic	(0.00)	(0.00)	(0.00)	(0.00)
Comprehensive (loss) / gain	(152,751)	7,586	Nil	(2,785)
Cash flow (used in) / provided by operations	(5,852)	(18,942)	3,881	(2,247)
Cash & cash equivalents, end of period	10,106	15,958	34,900	31,019
Assets	634,578	46,375	59,741	54,038
Future tax liabilities	Nil	Nil	Nil	Nil

Results of Operations

	Three months ended September 30, 2017	2016	Nine months ended September 30, 2017	2016	
Property acquisition costs	136,570	-	2,096,560	-	1.
Exploration and evaluation	222,847	-	628,554	-	1.
Professional fees	47,507	6,829	189,606	12,488	2.
Consulting fees	40,500	-	149,500	-	3.
General and administrative	39,292	5,684	118,023	20,930	4.
Shareholders communication	10,162	2,787	60,770	5,792	5.
Depreciation	3,438	1,069	13,217	3,207	
Investment loss	-	-	3,744	-	6.
Deferred premium on flow through shares	(28,254)	-	(73,654)	-	7.
Stock based compensation	-		600,050		8.
Provision for severance	-		-	60,000	
Total expenses	**272,062**	**16,369**	**3,786,370**	**102,417**	
Net loss from operations	**(472,062)**	**(16,369)**	**(3,786,370)**	**(102,417)**	
Sale of properties		750,000		828,603	
Loss on sale of marketable securities	-	-	(22,211)	-	
Net income (loss) for the period	**(472,062)**	**733,631**	**(3,808,581)**	**726,186**	

Statement of operations.

The Company was inactive during 2015 and 2016. Subsequent to the raising of capital in December 2016 and the addition of two mineral properties in January 2017, the Company became fully operational as an exploration company.

Three months ended September 30, 2017.

As mentioned, the Company was inactive in 2016. Accordingly, comparative results on expenses between periods is not meaningful. A more comprehensive review is included for the results of operations for the nine months ended September 30, 2017

Nine months ended September 30, 2017

1. The Company has adopted the accounting policy of expensing all mineral costs and evaluation assets, the breakdown of which is as follows:

	Holdsworth	Charlevoix	Total
Shares and warrants issued for property	**1,466,560**	**630,000**	**2,096,560**
Salaries	67,464	5,618	73,082
Exploration expenditures	547,393	8,079	555,472
Total - Exploration and evaluation	**614,857**	**13,697**	**628,554**
Total	**2,081,417**	**643,697**	**2,725,114**

2. Professional fees are mainly for legal ($117,196) and accounting fees ($63,000)

3. Consulting fees are for advisory services in connection with private placement financings

4. General and administrative expenses are mainly filing fees. ($29,155); rent ($13,500); interest ($6,785); travel $5,747; promotion including research distribution materials in Europe ($48,204) and other G & A items ($14,632).

5. Shareholders communications expenses relate to AGM ($17,248); transfer agent fees ($12,794); investor relations ($14,049) and conference fee ($10,000).

6. The Company recognized an investment loss through its holdings from marketable securities as the share prices of these marketable securities are significantly lower than its original amount by more than 20%.

7. The premium paid for flow through shares in excess of the market value of the shares without the flow through features is initially recognized as a liability. The liability is subsequently reduced and recorded in the statements of comprehensive loss on a pro rata basis based on the corresponding eligible expenditures that have been incurred when it is the Company's intention to file the appropriate renunciation forms with the Canadian taxation authorities. Total premium liability of $73,654 was recognized in respect of the December 30, 2016 flow through financing. As of September 30, 2017, the remaining deferred premium was $Nil (December 31, 2016: $73,654).

8 The relative fair value of the 3,466,500 options issued on May 22, 2017 has been estimated at $600,050 using the Black Scholes model for pricing options under the following weighted average assumptions: risk free interest rate 0.60%; dividend yield - 0%; expected stock volatility 228%; and an expected life of 5 years.

LIQUIDITY AND FINANCIAL POSITION

For a further understanding of the movements in cash during the period, readers are encouraged to review the statements of cash flow within financial statements filed by the Company.

As at September 30	2017	2016
Cash provided (used) in operating activities	$ (1,505,815)	$ (20,913)

The Company had a working capital deficiency on September 30, 2017 totaling ($505,806) compared to a working capital deficiency of ($714,118) at December 31, 2016. Cash and cash equivalents totaled $782,711 on September 30, 2017 and $604,464 on December 31, 2016.

Between December 30, 2016 and January 20, 2017, the Company raised $818,580 in connection with the private placement of shares.

On March 6 and 7, 2017, the Company raised an additional $381,420 through a private placement of shares bringing the total funds raised to date from December 30, 2016 in the amount of $1,200,000.

On August 2, 2017, the Company closed a non-brokered private placement wherein the Company issued 5,000,000 common shares at a subscription price of $0.10 per share for gross proceeds of $500,000.

During the nine months ended September 30, 2017, a total of 1,757,654 share purchase warrants were exercised for gross proceeds of $171,029

As at September 30, 2017, the Company had no material off-balance sheet arrangements such as guaranteed contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that could trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY BALANCES

Related parties as defined by IAS 24 Related Party Disclosures include the members of the Board of Directors, key management personnel and any companies controlled by these individuals. Key management personnel include those persons having authority and responsibility for planning, directing and controlling activities of the Company as a whole. .

The following are the related party transactions for the nine months ended September 30, 2017 and 2016:

The following are the related party transactions for the nine months ended September 30, 2017:

- The Company incurred $126,000 (2016: $9,000) in salaries and administrative accounting fees to a director and a senior officer. Quentin Yarie, CEO received $63,000 and Joseph Heng, CFO received $63,000 (2016: $9,000) respectively.

- (b) The Company was charged $13,500 (2016: $Nil) in rent and other administrative services by a TSX V listed company which is managed by common directors and senior officers of the Company.

As of September 30, 2017 the outstanding related party balances were:

(a) Included in accounts payable and accrued liabilities is $60,500 (2016: $47,000) related to rent payable to a company related by common management.

(b) The Company is indebted to a company related by common management in an amount of $50,000 in a form of a short term loan. The loan is interest bearing at a rate of 5%, unsecured and due on demand. No amounts have been paid back as at September 30, 2017.

(c) The Company reached legal settlements with its former CEO and CFO, whereby a combined severance of $72,000 was awarded. As at September 30, 2017, the amount paid relating to the severance settlements aggregate $18,600 with the balance remaining at $53,400. This amount is included in accounts payable and accrued liabilities. The Company expensed these claims during the year ended December 31, 2016.

COMMITMENTS

As of January 1, 2017, the Company is committed to a sublease of office space with a company related by common management for a monthly rental of approximately $1,500 per month in addition to other incidentals. The sublease agreement is for a term of seven (7) years from January 1, 2017 to December 31, 2023.

Due to flow-through share private placements, the Company is required to spend and renounce $515,580 on Canadian Exploration Expenditures before December 31, 2017 and $199,000 before December 31, 2018.
Of these amounts $543,082 has been spent as at September 30, 2017.

DISCLOSURE OF OUTSTANDING SHARE INFORMATION

The following table sets forth information concerning the outstanding securities of the Company as at November 28, 2017:

Security Class	Number
Common Shares	71,710,083
Warrants	26,165,009
Options	3,834,500

SIGNIFICANT ACCOUNTING POLICIES

For further information about the accounting policies used by the Company, please refer to the Company's financial statements and notes thereto for the year ended December 31, 2016.

Basis of Presentation

The financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale, which have been measured at fair value. The financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

Significant accounting judgments and estimates

The preparation of the financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement date and the reported amounts of revenues and expenses during the period. On an ongoing basis, management evaluates its judgments and estimates by using its experience and other factors it believes to be reasonable. Actual results could differ from those estimates. The financial statements include estimates which are uncertain, the impacts of which are pervasive and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and also in future periods if it affects both current and future periods. Significant estimates and judgments include, but are not limited to, the provision for tax and penalties related to flow-through expenditures previously renounced. The provision requires management to make judgements and estimates of the likelihood and amount of penalties to be paid.

Mineral properties and exploration expenditures

The Company expenses all costs relating to the acquisition of, exploration for and development of mineral claims and credits all revenues received against the exploration expenditures. Such costs include, but are not limited to geological, geophysical studies, exploratory drilling and sampling. Once a project has been established as commercially viable and technically feasible, related development expenditures are capitalized; this includes costs incurred in preparing the site for mining operations. Capitalization ceases when the mine is capable of commercial production, with the exception of development costs that give rise to a future benefit.

Flow-through shares

The Company has financed a portion of its exploration activities through the issuance of flow-through shares. Flow-through shares are a Canadian Income Tax incentive. Under the terms of the flow-through share agreements, the tax attributes of the related exploration expenditures are renounced by the Company to subscribers who purchase flow-through shares. Proceeds from the issuance of flow-through shares are allocated between the offering of shares and the sale of tax benefits. An allocation is made based on the difference between the quoted price of the existing shares and the amount that the investor paid for the shares. A liability is recognized for this difference. The liability is reduced and a reduction of the premium liability is recorded as other income as eligible expenditures are incurred and when it becomes the Company's intention to file the appropriate renunciation forms with Canadian tax authorities.

Share-based payment transactions

The Company has a stock option plan. All share-based awards granted, including those granted to directors not acting in their capacity as directors, are accounted for using the fair value based method. The fair value of stock options granted is recognized as an expense within the statements of comprehensive loss and a corresponding increase to reserves within the equity section of the statements of financial position. Any consideration paid by eligible participants on the exercise of stock options is credited to capital stock. The reserves amount associated with stock options is transferred to capital stock upon exercise.

FINANCIAL RISK FACTORS
The Company's financial risk exposures and the impact on the Company's financial instruments are as follows:

(a) Credit risk:
The Company's credit risk is primarily attributable to cash and cash equivalents and accounts receivable. The Company has no significant concentration of credit risk arising from financial instruments.

(b) Liquidity risk:
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2017, the Company has a working capital deficiency of $505,806 (December 31, 2016: $714,118). The Company had a cash balance of $782,711 (December 31, 2016: $604,464) to settle current financial liabilities of $1,420,845 (December 31, 2016: $1,813,515). All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms, except short-term debt.

(c) Market risk:
Market risk is made up of interest rate risk, price risk and equity price risk.

Interest rate risk: The Company has cash balances and non-interest bearing debt, except short-term loans. The Company's current policy is to invest excess cash and cash equivalents in short-term money market investments issued by highly rated entities. The Company monitors the investments it makes and is satisfied with the credit ratings.

Price Risk: The Company is indirectly exposed to this risk through the price of precious metals. The Company monitors commodity prices to determine the appropriate course of action to be taken with respect to its mineral properties.

Equity Price Risk: This is defined as the potential adverse impact on the Company's earnings due to movements in individual equity movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action.

(d) Sensitivity Analysis:
Based on management's knowledge and experience of the financial markets, the Company believes that it is "reasonably possible" for the Company's marketable securities to move plus or minus 50%. If this were to happen, comprehensive income (loss) would be affected by approximately $2,214.

(e) Fair Value:
The carrying amount of accounts receivable and prepayments, accounts payable and accrued liabilities and short-term debt approximates their fair value because of the short-term maturities of these items.

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.

FLOW-THROUGH PROVISION

During the year ended December 31, 2015, the Company underwent an audit conducted by the Canada Revenue Agency ("CRA") for the calendar years 2010 to 2013. As a result of the audit, CRA has proposed an adjustment to the amount of qualifying expenditure that was renounced to the Subscribers aggregating approximately $2,500,000. In addition, CRA has assessed additional Part XII.6 tax of approximately $255,043 to the Company in connection with the shortfall and has been paid.

Included in accounts payable and accrued liabilities as at September 30, 2017 is a provision of $1,057,067 (December 31, 2016: $1,400,000) representing the maximum amount of tax and penalties related to the 2013 shortfall in flow through eligible exploration expenditures.

During the nine months ended September, the Company paid $41,645 in cash and issued 538,845 common shares valued at $46,245 for a total of $87,890 to settle its obligation to indemnify certain subscribers in respect of tax and penalties payable in connection with the reassessment of such purchasers' tax returns

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.