



**Golden Predator Mining Corp.**

**(An Exploration Stage Company)**

**Management's Discussion and Analysis**

**For the nine months ended September 30, 2018 and 2017**

**GOLDEN PREDATOR MINING CORP.  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**GENERAL**

The following management's discussion and analysis ("MD&A") of Golden Predator Mining Corp. (the "Company" or "Golden Predator"), has been prepared by management in accordance with the requirements of National Instrument 51-102 as of November 23, 2018. This MD&A should be read in conjunction with the unaudited interim financial statements for the nine months ended September 30, 2018 and 2017, and the audited annual financial statements for the years ended December 31, 2017 and 2016 and the accompanying notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. The Company is presently a "Venture Issuer" as defined in National Instrument 51-102. Additional information relevant to the Company's activities can be found on SEDAR at [www.sedar.com](http://www.sedar.com) and the Company's website at [www.goldenpredator.com](http://www.goldenpredator.com). All amounts are expressed in Canadian dollars unless otherwise indicated.

The following MD&A includes certain statements that are considered forward-looking statements. Please refer to "Forward-Looking Information" for a discussion on the risks and uncertainties related to such information.

**COMPANY BACKGROUND**

The Company was incorporated as Northern Tiger Resources Inc. and commenced operations on June 23, 2008. On April 17, 2014, the Company changed its name to Golden Predator Mining Corp following a merger with Redtail Metals Corp. and other related transactions. The Company is a reporting issuer in British Columbia, Alberta, Ontario and Yukon and trades on the TSXV (symbol "GPY") and on the OTCQX (symbol "NTGSF").

The Company is in the business of acquiring and exploring mineral properties primarily in the Yukon, Canada.

**CORPORATE HIGHLIGHTS**

In October 2018, the Company announced that the TSX Venture Exchange accepted its notice to proceed with a normal course issuer bid to purchase up to 11,566,995 common shares of the Company. The bid will be conducted on the open market, and the Company will pay market price at the time of acquisition for any shares acquired

In June 2018, the Company announced the establishment of an Exploration Management Council (the "Council") of globally recognized geological experts to assist the Company in reviewing, interpreting, advising and planning on property exploration and technical matters. The Council consists of globally recognized geoscientists Richard Goldfarb (a Director of the Company), Lance Miller, Craig Hart and William (Bill) Threlkeld.

In June 2018, the Company also announced that Michael (Mike) Redfean, P. Eng., was joining the Company to provide technical oversight of pilot projects and mineral processing options on all the Company's projects.

In May 2018, the Company's wholly owned subsidiary the Yukon Mint™, unveiled its first gold coin. The limited edition 2018 Kaska 'Keda' (Dene for 'Moose') Gold Coin depicts the winning art work of Kaska Nation artist Miranda Lane on both a one (1) ounce and one-half (1/2) ounce .9999 fine gold coin. The coins incorporate gold obtained from the Company's 3 Aces Project bulk sample and processed at the Company's test facility in the Yukon.

In February 2018, the Company completed a financing by way of short form prospectus of 9,212,378 flow-through units at a price of \$0.91 per unit for gross proceeds of \$8,383,264.

In October 2017, the Company announced that Mr. William Harris and Dr. Richard Goldfarb joined the Board of Directors.

In March 2017, the Company completed a bought deal offering of 7,187,500 common shares at a price of \$1.60 per share and 3,108,450 flow-through shares at a price of \$1.85 per flow-through share for gross proceeds of \$17,250,633.

## **MINERAL PROPERTIES**

### **1. 3 Aces, Yukon**

The Company owns 100% of the 3 Aces property, subject to the Net Smelter Returns (“NSR”) royalties described below.

The Company agreed to make annual advance royalty payments of \$45,000 commencing on April 1, 2015 which continue until the commencement of commercial production. The vendor will retain a 2% NSR royalty on the 3 Aces property. If a resource estimate in excess of 500,000 ounces at a grade greater than 5 grams per tonne gold (“g/t”) is defined on the property (in compliance with the Canadian Securities Administrators’ National Instrument 43-101 - “Standards of Disclosure for Mineral Projects” (“NI 43-101”)), the vendor’s NSR royalty will increase to 2.5% and the vendor will receive a bonus payment of \$300,000 in cash or equivalent Golden Predator common shares. If a NI 43-101 compliant resource estimate in excess of 1,000,000 ounces at a grade greater than 5 g/t is defined on the 3 Aces property, the vendor’s NSR royalty will increase to 3% and the vendor will receive an additional bonus payment of \$300,000 in cash or equivalent Golden Predator shares. Each 1% of this NSR royalty can be purchased for \$2,000,000. Till Capital Ltd. has an additional 1% NSR royalty on the property.

The 3 Aces project (property) collectively consists of 1,734 contiguous quartz claims (35,700 ha) and includes the Sprogge (2. Sprogge, Yukon), Reef (3. Reef, Yukon) and Upper Hyland (4. Upper Hyland, Yukon) properties, located in southeast Yukon. The 3 Aces property is located along the Nahanni Range Road (Cantung Mine Road) which accesses the Cantung Mine located 40 km to the northeast.

The 3 Aces property contains a number of gold bearing quartz veins and vein zones that cut Cambrian aged limestone, shale, quartz grits and chert pebble conglomerates of the Hyland Group. Previous sampling and exploration by Golden Predator have outlined extensive gold-in-soil anomalies over nine square kilometres, including numerous high-grade gold showings. Company management believes that the rock types, structure, vein geometry and both alteration and ore mineralogy at 3 Aces are compatible with an orogenic gold model – additional information can be found at: <http://www.goldenpredator.com/projects/3-aces/#2>.

#### **2016 Bulk Sample**

The winter 2016 bulk sample program was designed to determine the grade, distribution and metallurgical aspects of the mineralization in the Ace of Spades vein.

On August 18, 2016, the results of the initial test processing of the bulk sample were announced. A total of 80 metric tonnes was processed, recovering 4,587 grams of concentrate from the shaker tables, which was poured into a doré bar that contained 81.4 troy ounces of fine gold and 7.8 troy ounces of silver.

Following upgrades to the processing plant, the remaining 696 tonnes of bulk sample were processed with final results reported on December 7, 2017 for the entire 776-tonne bulk sample. In total, 953.4 troy ounces of fine gold were recovered, with the tails estimated to contain an additional 199.0 ounces. The average calculated grade of the bulk sample was 46.18 grams per tonne. The estimated recovery rate from a simple gravity circuit is 83%. Additional testing by Met-Solve Laboratories Inc. has indicated that 75% of the gold remaining in the tailings can be recovered with the addition of an inexpensive Falcon concentrator.

## 2017 Drill Program

The Company commenced a planned 20,000 m drill program at the property in February 2017. The following summarizes results from the 2017 drill program.

### May 30, 2017

On May 30, 2017, the Company reported assay results for 16 of 43 drill holes completed as of May 15, 2017. The drill holes were concentrated in the Spades Zone and were designed to define the structural controls of the gold mineralization better and to expand the zone by stepping out laterally along strike. Results included the highest-grade drill intercept received to date on the Ace of Spades vein, as well as high-grade intercepts from the Seven and Three of Spades veins. Step-out drilling successfully encountered mineralization 150 m from previous Ace of Spades drill intercepts. Significant results include:

- 3A17-098 intersected 39.63 m of 13.26 g/t gold from a depth of 9.14 m, including 13.71 m of 35.78 g/t gold;
- 3A17-099 intersected 14.48 m of 15.32 g/t gold from a depth of 8.38 m, including 4.57 m of 46.76 g/t gold;
- 3A17-111 intersected 3.05 m of 8.12 g/t gold from a depth 16.76 m, including 1.52 m of 14.0 g/t gold;
- 3A17-110 intersected 5.33 m of 4.0 g/t gold from a depth of 159.26 m, including 0.76 m of 22.20 g/t gold; and
- 3A17-090 intersected 1.52 m of 12.66 g/t gold from a depth of 38.10 m.

#### 1. *Ace of Spades*

Drill hole 3A17-098 targeted the Ace of Spades vein along strike 10 m northeast of drill hole 3A16-032. This vertical drill hole intersected stockwork mineralization averaging 0.4 g/t gold below the reported intercept to 165 m depth; when including the lower grade stockwork mineralization beneath the Ace of Spades vein, the upper 165 m of the hole averaged 3.27 g/t gold from surface. Drill hole 3A17-099 tested the Ace of Spades vein 14 m northeast along strike from the 3A17-098 intercept.

Drill hole 3A17-111 was collared 45 m southwest of 3A16-043 (7.62 m drilled width of 14.73 g/t gold including 3.05 m drilled width of 26.67 g/t gold) across the projected strike of a 310-degree trending shear zone. Drill hole 3A17-110 was collared from the same drill pad and targeted the main Ace of Spades vein approximately 130 m lower in elevation along a postulated offset to the northwest. This drill hole intersected quartz veining developed along a phyllite/sandstone footwall contact. Although in-fill drilling will be required, one interpretation of the high-grade gold intercept in 3A17-110 suggests that it is the offset continuation of the Ace of Spades vein whose nearest drilled intercept is 150 m away to the northeast.

#### 2. *Seven of Spades*

Drill holes 3A17-086 through 3A17-091 are the first holes drilled in the Seven of Spades zone and targeted surface gold mineralization associated with quartz veining along the N60E and N20W structural corridors. Holes targeted high-angle and low-angle vein targets. Drill hole 3A17-090 intercepted 12.66 g/t gold over 1.52 m at a depth of 38.10 m adjacent to a high-angle, N60E trending shear zone containing arsenopyrite-bearing quartz veining along a phyllite-sandstone contact. Drill hole 3A17-089 intercepted the same zone, 26 m up dip, which assayed 2.71 g/t gold over 3.05 m at a depth of 27.43 m. Additional drilling is planned in the Seven of Spades zone as the quartz-arsenopyrite gold intercepts remain open along strike in both directions.

#### 3. *Three of Spades*

Drill holes 3A17-092 through 3A17-097 are the first drill holes in the Three of Spades zone and targeted surface gold mineralization along a N60E trending high-angle shear zone hosting quartz-arsenopyrite veinlets. Gold mineralization was intercepted in five of six holes, over a 150 m strike length, including 10.39 g/t gold over 1.53 m at 131.06 m in drill hole 3A17-092 and 5.72 g/t gold over 0.77 m at a depth of 20.57 m in drill hole 3A17-096.

#### July 10, 2017

On July 10, 2017, the Company reported assays for an additional 23 reverse circulation (RC) drill holes completed as of May 15, 2017. Forty-three reverse circulation holes were drilled in the first round of the 2017 program, completed on May 15, 2017, from an area measuring over 450 x 700 m (1,475 x 1,300 feet) in the Spades Zone. Results expanded the zone of mineralization in the Ace and Jack of Spades zone to 137+m (450+ feet) in a southeasterly direction (down dip) and 61+m (200+ feet) along strike with the zone remaining open. In addition to the already identified high grade underground targets, the drilling results suggest a merging into a single gently dipping zone, providing a potential near surface bulk mineable target. Significant results include:

- 3A17-100 intersected 6.86 m of 20.15 g/t gold from a depth of 19.05 m, including 1.53 m of 42.59 g/t gold;
- 3A17-106 intersected 1.52 m of 54.25 g/t gold from a depth of 2.29 m, and 1.53 m of 8.89 g/t gold from 8.38 m, and 1.53 m of 14.26 g/t gold from 12.95 m;
- 3A17-125 intersected 2.29 m of 35.35 g/t gold from a depth 9.14 m, including 0.76 m of 59.30 g/t gold;
- 3A17-127 intersected 6.10 m of 22.30 g/t gold from a depth of 12.95 m; and
- 3A17-126 intersected 1.52 m of 72.25 g/t gold from a depth of 14.48 m.

Drilling has led to a better understanding of controls on gold mineralization in the Spades zone. The zone is localized in the footwall of an east-west trending, south dipping shear zone which approximates a strongly sheared and folded phyllite/sandstone contact. Lenticular quartz veins and associated gold mineralization are best developed along north-northeast and north-northwest trending structures dipping 50° SE and 60-80° SW respectively. The gold bearing vein system is developed within a moderately dipping, southeast plunging syncline with a phyllite hanging wall and sandstone footwall. The best grade/thickness gold mineralization appears to be developed within the syncline fold axis and similar structural settings are being targeted for drilling immediately northwest and southeast of the Spades zone. In addition to the higher-grade intervals reported here, there are extensive zones in the current drilling that contain near surface intervals ranging from 0.25 g/t gold up to 3.0 g/t gold.

#### August 9, 2017

On August 9, 2017, the Company announced assay results for 8 reverse circulation (RC) drill holes and 10 diamond core drill holes. The current drill program focused on the Spades Zone to provide appropriate drill density for interpretation and modelling of the gold mineralization in the high-grade vein system. The Company also reported a new discovery of gold in quartz veining at the new Ace of Diamonds and Three of Diamonds, which were discovered through the ongoing surface sampling and geological mapping program. Significant results include:

- 3A17-124 intersected 4.57 m of 58.75 g/t gold, including 1.52 m of 121.75 g/t gold;
- 3A17-132 intersected 13.30 m of 6.69 g/t gold, including 1.95 m of 25.64 g/t gold;
- 3A17-134 intersected 4.6 m of 18.77 g/t gold, including 1.5 m of 36.6 g/t gold;
- 3A17-138 intersected 1.5 m of 8.31 g/t gold, and 8.0 m of 50.4 g/t gold, including 1.0 m of 156.0 g/t gold;
- 3A17-131 intersected 13.75 m of 65.31 g/t gold, and 4.55 m of 46.90 g/t gold, including 0.95 m of 209 g/t gold; and
- 3A17-133 intersected 6.0 m of 15.98 g/t gold, including 1.5 m of 49.93 g/t gold, and 16.2 m of 20.5 g/t gold, including 5.1 m of 57.77 g/t gold.

The drill results reported include step-out and in-fill holes at the Spades Zone, as well as two grade verification diamond core holes. Step-out holes 3A17-137 and 3A17-138 extend mineralization along strike, intercepting quartz veining 10m apart and 17m from previous drilling. Hole 3A17-137 returned 1.5m of 68.30 g/t gold and 5.5m of 7.24 g/t gold with hole 3A17-138 returning 1.5m of 8.31 g/t gold and 8m of 50.4 g/t gold. The grade verification holes have confirmed grades in areas previously explored with reverse circulation drilling. Hole 3A17-131 intersected the best mineralized interval reported to date from the 3 Aces Project at 13.75 m of 65.31 g/t gold, and lower in the same hole another interval of 4.55 m of 46.90 g/t gold. Hole 3A17-133 intercepted a blind vein with 1.15 m of 73.2 g/t gold at a depth of 60.1m, some 25m below the nearest previously known intercept.

Geologic mapping and soil sampling are critical summer exploration programs and recently led to a visible gold discovery at the newly identified Ace of Diamonds in the Diamond Zone. The Diamonds zone features gold-bearing quartz veining occurring continuously over a strike of 1.2 km. The Company also discovered quartz breccias containing up to 3.21 g/t gold at the newly discovered Three of Diamonds. Discovery of gold in the lower stratigraphy that hosts the Diamonds Zone supports the theory that deep mineralization underlies the Spades, Hearts and Clubs Zones. Expansion into the Diamonds Zone significantly enhances the overall potential of the Central Core Area.

#### September 12, 2017

On September 12, 2017, the Company announced the results from the remaining 10 holes at the Ace of Spades and Jack of Spades zones. Significant results include:

- 3A17-143 intersected 19.3 m of 16.15 g/t gold, including 4.30 m of 42.37 g/t gold;
- 3A17-149 intersected 1.50 m of 24.67 g/t gold;
- 3A17-157 intersected 4.2 m of 20.04 g/t gold; and
- 3A17-147: 2.5 m of 15.51 g/t gold, and 3.5 m of 21.44 g/t gold.

Results of the remaining 10 holes reported from the diamond drilling in the Ace and Jack of Spades Zones have continued to confirm structural continuity throughout the zone. Importantly, hole 3A17-160, which intercepted 35.0 g/t gold from 168.0 to 169.0m, was drilled to offset a previously reported intercept of 22.20 g/t gold across 0.7m in hole 3A17-110 which was 150 m from the main mineralization at the Ace of Spades. These two intercepts occur along a newly recognized vein projecting towards the Seven of Spades. All ten holes encountered significant results.

#### September 14, 2017

On September 14, 2017, the Company announced the discovery of two new veins in the Hearts and Clubs Zones and partial results from the summer exploration program consisting of soil sampling, road construction, trenching, geological mapping and rock sampling. Highlights of the summer program include:

- **Soil Sampling** – Completion of district-wide soil sampling program of 9,377 soil samples covering 103 sq. km. of favourable structure and stratigraphy across the entire property. Partial results indicate a northwest extension from the Central Core area of anomalous gold in soils. Results are pending from 2/3 of the soil sampling program. The soil sampling grid covered all of the favorable stratigraphy and structural trends identified to date throughout the district with an emphasis on completing initial coverage of all untested ground between the known mineral occurrences of Hy-Jay, Reef, Euchre, Central Core Area, and Sprogge (from northwest to southeast). The systematic program consisted of initial grid evaluation along a 35 km trend approximately 4 to 5 km wide exhibiting favourable stratigraphic and structural controls for district scale gold mineralization. Samples were taken along grids with 100 x 50 m or 200 x 100 m sample spacing.
- **Road Construction** – Completion of 14.4 km of new roads which provide access into the Diamonds discovery zone and expansion of the road network into the Hearts and Clubs zones. The roads facilitate trenching and drilling of new vein discoveries.
- **Trenching** – Numerous areas of anomalous gold in soil within the Clubs, Diamonds and Hearts were trenched resulting in the discovery of the King of Hearts and the Jack of Clubs gold-bearing quartz veins. In addition, gold was recovered in pan concentrates from outcrops exposed by road construction along the northwest extension of the Hearts zone.
- **Geological mapping** – Mapping was completed in the 11 sq. km. Central Core Area and in the Euchre, Reef and Hy-Jay areas at a scale of 1:5,000. This mapping in combination with sample results and interpretation of the ongoing drill program have resulted in a more comprehensive model of mineralization for the property.

- **Rock Sampling** - 943 rock samples consisting of panel, channel, chip and grab samples were collected with results up to 103.7 g/t gold from a grab sample of gold-bearing quartz vein in float at the newly discovered Jack of Clubs zone. Rock sampling results were reported for 632 samples; 580 which are from the Central Core Area. Of the 632 samples, thirteen (13) have values greater than 15 g/t gold, three (3) had values between 10-15 g/t gold, twelve (12) had values between 5-10 g/t gold and eighty-three (83) had values greater than 1.0 g/t gold. Highlights include:
  - King of Hearts – Newly discovered zone with visible gold in quartz vein approximately 300 m on trend to the northwest of the Ace of Hearts discovery area. This occurrence doubles the strike length of the mineralized trend at the Hearts zone to approximately 600 m. The structure projects to the Ten and Jack of Clubs veins 0.75 and 1.0 km away respectively.
  - Jack of Clubs – Newly discovered zone with visible gold in quartz and values including 54.7 g/t gold and 103.7 g/t gold from grab samples of quartz veining with visible gold in float samples located 100 m apart from one another. Trench exposure of the veining has returned values to 7.0 g/t gold. The Ten/Jack of Clubs structural zone projects to the southwest into the Ace and King of Hearts; the total strike length of the combined zones is 1.6 km.
  - Spades Detour – Panel sample (0.5 m x 0.5m) returning 21.6 g/t gold from a rusty shear zone with quartz exposed in a new trench located approximately 150 m southeast of the Three of Spades.
  - Visible Gold from Hearts Road Cuts – Visible gold was recovered in pan concentrates from 11 areas along a 450 m segment of the Hearts bypass road connecting the Hearts Zone to the Clubs Zone along the prominent northwest structural zone.
  - Diamonds Zone –Rock chip and panel samples taken from the newly discovered mineralization in the Diamonds Zone include up to 40.4 g/t gold from float samples and up to 9.9 g/t from outcrop samples.

October 25, 2017

On October 25, 2017, the Company reported results for 20 reverse circulation drill holes, confirming a doubling of the strike length of the Ace of Hearts vein with 600 m of continuity, and the extension of mineralization for 340m meters along the Hearts-Clubs Corridor. The 1.6 km Hearts-Clubs Corridor drill program, a component of the 2017 drill program, was designed to test and establish continuity along shear zones hosting gold-in-quartz veins. A second parallel shear zone, below the Hearts-Clubs Corridor, was also established and confirmed with visible gold along a 450 m segment.

The Hearts-Club Corridor is presently known as a 1.6 km structural zone with upper and lower northwest trending shear zones extending from the Ace of Hearts to the Ten of Clubs. In 2018, the Company will test the projected extension of the Corridor to consider a possible extension of mineralization for an additional 1.2 km along trend to the northwest. These moderately dipping shear zones host quartz veins with gold and arsenopyrite. Hearts – Clubs Corridor drilling highlights include:

- 3A17-203 intersected 19.81 m of 3.32 g/t gold, including 2.28 m of 22.49 g/t gold from a depth of 10.67 meters;
- 3A17-205 intersected 4.57 m of 9.30 g/t gold, including 0.76 m of 48.70 g/t gold from a depth of 22.1 meters;
- Drilling on the Hearts-Clubs Corridor (at the King of Hearts) has more than doubled the established strike length of the mineralization previously identified at the Ace of Hearts;
- Twelve RC holes have been completed on the northern end of the Hearts-Clubs Corridor with multiple intercepts of quartz-arsenopyrite veins including visible gold in one hole (results pending);
- Visible gold was previously identified along 450m of road-cut; subsequent field work has shown that this gold is from a second lower structural zone (named the Queen of Hearts) paralleling the principal structure of the Hearts-Clubs Corridor;
- Six RC holes have been completed on the second parallel structure (at the Queen of Hearts) with multiple intercepts of quartz-arsenopyrite veins including visible gold in two holes; and

- Drilling conditions at all zones along the upper and lower Hearts-Clubs Corridor are challenging due to multiple shear zones, multiple veins and high-water flows.

The 3 Aces Central Core area consists of a stratigraphic sequence of sedimentary rock affected by regional, low grade metamorphism. Gold mineralization has been identified in two styles of mineralization at the 3 Aces project:

**1. Bedding-parallel quartz veins along shear zones, featuring low angle faults (Hearts-Clubs Corridor)**

These veins are found among Proterozoic meta-sedimentary rocks including sandstone and phyllite. Compressional tectonics acting on these types of rocks cause movement along the original bedding planes. The movement causes major shear zones and facilitates the formation of open spaces which are enhanced because different rock types are in contact with one another (sandstone and phyllite). We have observed indicators that identify at least three major parallel shear zones stacked 200 to 300 m above one another featuring low angle faults. There are multiple quartz veins which occur in or near these shear zones, that span up to 7 m wide with grades anywhere from 1 g/t, to more than 10 g/t of gold.

**2. Quartz veins occurring at high angle orientations with conjugate geometries (Ace and Jack of Spades)**

These veins were formed between the bedding-parallel shear zones as tensional (pulled apart) stress release faults and fractures. Stress release faults and fractures tend to be found at predictable orientations (north-east, west-northwest and east-west). These veins range up to 10 m thick and host grades ranging from 15 g/t, to more than 30 g/t of gold.

December 14, 2017

On December 14, 2017, the Company released results for 36 reverse circulation drill holes within the Spades Zone, where gold mineralization was extended by over 200m along strike, and the presence of bulk tonnage mineralization was confirmed near surface. Significant gold mineralization was encountered in 25 of the 36 holes along one kilometer of Spades Zone strike. High-grade quartz veins continue to be encountered along with an increasing abundance of disseminated and stockwork occurrences. These two types of mineralization are now integral to the Company's conceptual geological model.

Gold grades in the northern and north-central portions of the Spades Zone are thought to represent leakage into the hanging wall from a major northwest trending shear zone that controls mineralization in the Spades, Clubs and Hearts Zones. This mineralization is in the form of higher angle, higher grade gold in quartz veins typical of the central Spades Zone, as well as potentially bulk minable grades. Based on the evolving geological model, the holes along the northern and north-central Spades trend should be extended 50 to 150m to reach and properly test this identified northwest trending shear zone target which appears to underlie most of the Spades Zone. This interpretation opens up an important new target with significant resource potential. The through-going northwest trending shear zone accounting for the Spades Zone is thought to be one of several such structures controlling gold deposition at 3 Aces.

Significant results include:

- Hole 3A17-175 intersected 1.53 m of 36.33 g/t gold from a depth of 32.00 m;
- Hole 3A17-266 intersected 14.48 m of 1.06 g/t gold from a depth 16.76 m, including 0.76 m of 8.0 g/t gold and 6.10 m of 3.43 g/t gold from a depth of 61.72m, including 1.52m of 11.31 g/t gold;
- Hole 3A17-275 intersected 14.47 m of 3.40 g/t gold from a depth of 40.39 m, including 1.53 m of 26.72 g/t gold; and
- Hole 3A17-144 intersected 47.25 m of 1.11 g/t gold from a depth of 5.33 m, including 0.76 m of 11.45 g/t gold.

January 10, 2018

The Company announced the results of 42 RC holes drilled during the 2017 program on January 10, 2018. Gold mineralization ranging from anomalous to high grade was encountered in 30 of the 42 holes drilled across the

Central Core, including the Hearts, Clubs and the Diamonds Zones. The results from these holes confirmed high-grade gold mineralization and near surface bulk tonnage type mineralization from the Diamonds Zone, the Clubs Zone and the lower Hearts Zone. Significant results include:

- Hole 3A17-287 intersected 2.29 m of 35.72 g/t gold from a depth of 5.33 m, including 0.76 m of 105.5 g/t gold (Lower Hearts);
- Hole 3A17-250 intersected 0.76 m of 10.15 g/t gold from a depth of 35.05 m (Queen of Clubs Vein); and
- Hole 3A17-251 intersected 1.53 m of 5.86 g/t gold from a depth 47.24 m, and 3.05 m of 4.17 g/t gold from a depth of 153.92 m, including 0.76 m of 11.75 g/t gold (Diamonds Zone).
- **Diamonds: Initial Drill Program** - Initial drilling of the Diamonds Area, located 1.8 km north and over 400 m higher in elevation, from the Central Spades area, included 8 reconnaissance holes designed to test favorable stratigraphy and structure as indicated by surface mapping. Spread out over more than 700 m, 6 of 8 holes were completed to target depths ranging from 240 m to 350 m. Hole 3A17-251 encountered anomalous gold clustered throughout the hole with the best interval of 3.05 m of 4.17 g/t gold including 0.76 m of 11.75 g/t gold. Hole 3A17-262 intersected 5.33 m of 1.03 g/t gold along with several anomalous zones lower in the hole. 5 of the 6 holes (246, 251, 254, 262, 265) drilled to target depth intersected multiple intervals of >1.0 g/t gold as well as more extensive zones of anomalous gold. In addition to intersecting gold mineralization, important structural and stratigraphic information was gathered from the first drill program at the Diamonds Zone.
- **Hearts-Clubs Corridor: Lower Hearts** - Drilling included 10 RC holes with mineralization encountered in 8 holes. All holes were stopped short of target depth due to intense fracturing and challenging RC drilling conditions encountered in the Heart/Clubs Corridor. Late season ice combined with extreme topography resulted in all holes being collared from existing roads with average depth of the sampled holes of 56.6 m. Drilling was situated along 400 m of strike and represents the westerly most drilling to date on the project.

Hole 3A17-287 returned several intervals greater than 1.0 g/t gold highlighted by 1.53 m of 53.0 g/t gold from a depth of 5.33 m which includes 0.76 m of 105.5 g/t gold. Hole 3A17-291 intersected 8.38 m of 0.41 g/t bottoming at 14.48 m in mineralization, hole 3A17-293 intersected 16.0 m of 0.41 g/t from a depth of 14.48 m, and hole 3A17-294 intersected 9.14 m of 0.57 g/t gold from a depth of 6.86 m. Initial drilling of the lower structural zone at the Hearts zone confirmed gold mineralization along the lower shear zone. Two holes were lost in the first 10 m with no sample returned.

- **Heart/Clubs Corridor: Clubs Zone** - Fifteen RC drill holes were completed in an area 200 m by 300 m with 8 of these not reaching target depths due to intense fracturing, shearing and related gouge zones along the mineralized horizon in the Hearts/Clubs Corridor. 13 of the 15 sampled holes encountered anomalous gold.

Hole 3A17-267 intersected 6.09 m of 0.49 g/t gold from a depth of 21.34 m and a second lower zone of 10.67 m of 0.75 g/t gold highlighted by a 0.76 m interval of 7.49 g/t gold. Hole 3A17-269 intersected sporadic mineralization throughout the hole with 16.76 m of 0.34 g/t gold from 19.05 m and 2 separate 0.76 m intervals of 7.65 g/t and 4.73 g/t gold from 115.06 m and 143.26 m respectively. Similarly hole 3A17-282 intersected 9.91 m of 0.89 g/t gold at a depth of 31.24 m and hole 3A17-284 intersected 9.14 m of 1.06 g/t gold at a depth of 22.86 m.

- **Queen of Clubs Vein** - The Queen of Clubs Vein is located 400 m northeast of the Hearts/Clubs Corridor with 6 holes drilled in 2017. Drill hole 3A17-250 has more than doubled the known strike of the Queen of Clubs vein by 34 m, to at least 65 m, having intersected 0.76 m of 10.15 g/t gold at a depth of 35.05 m. No further significant results were reported, and further analysis suggests that the target is open at depth but either pinches out or has been offset laterally along strike.

### January 16, 2018

On January 16, 2018, the Company reported results of 43 Grade Control drill holes at the 3 Aces Project, including the highest gold assays generated to date from drilling on the project.

These drill holes were designed to investigate close-space variability in three different areas of the Spades Zone in order to prepare for resource delineation drilling within the Central Core Area later this year. Highlights include:

- Hole 3A17-208 intersected 4.57 m of 81.35 g/t gold from a depth of 0.76 m;
- Hole 3A17-209 intersected 21.33 m of 18.33 g/t gold from a depth of 2.29 m;
- Hole 3A17-215 intersected 5.33 m of 49.37 g/t gold from surface;
- Hole 3A17-220 intersected 13.72 m of 43.02 g/t gold from a depth of 1.52 m, including 0.76 m of 550.00 g/t gold;
- Hole 3A17-224 intersected 9.91 m of 21.81 g/t gold from a depth of 1.52 m;
- Hole 3A17-230 intersected 3.05 m of 88.27 g/t gold from a depth of 0.76 m; and
- Hole 3A17-238 intersected 9.15 m of 41.03 g/t gold from a depth of 0.76 m, including 0.76 m of 487.00 g/t gold.

The close-spaced Grade Control drilling was completed in three areas, all of which are now considered to be part of the larger central Spades Zone. Significant gold mineralization was encountered in 39 of the 43 holes. All drilling was completed on grids with a 5 m spacing to compare results with gold grades from previous drilling, and as a more definitive estimate of contained gold for comparison against future bulk sampling. This process was intended to accurately predict the returns that could be expected from a mining operation. Programs of close-spaced drilling followed by bulk sampling are an integral part of The Company's commitment to continuously evaluate the quality of drill hole assays, optimal drill spacing for resource delineation and optimal metallurgical recovery.

### **2018 Winter Drill Program**

#### June 14, 2018

A total of 3,682 meters of HQ core was drilled in 15 holes between March and May, 2018 to test the Company's exploration model for continuity of the primary structural control under surface cover. This key structural feature, which is now known to control the occurrence of gold mineralization at 3 Aces, was intercepted in widely spaced holes extending east from the Spades zone for more than 1.2 km. These results now show that mineralization in the Central Core Area is controlled by the primary feature over a strike of at least 4 kilometers.

Extensive quartz veining was encountered in 12 of the 15 holes with significant gold reported in 7 of these. The best assay interval was in drill hole 3A18-309 which intersected 13.93 g/t gold over 2.5m at a depth of 87.5 m. Three holes (298, 300, and 302) did not hit the target zone, likely because the collars were located in the footwall or the dip changed locally. Higher grades within the primary structural control appear to be related to specific patterns of deformation that are found elsewhere in the Central Core Area and in the Sprogge Area.

Highlights of this program include:

- Hole 3A18-295 intersected 2.20 m of 1.33 g/t gold from a depth of 58.50 m;
- Hole 3A18-296 intersected 1.00 m of 1.01 g/t gold from a depth of 91.00 m;
- Hole 3A18-303 intersected 2.50 m of 2.08 g/t gold from a depth of 153.50 m;
- Hole 3A18-304 intersected 1.00 m of 1.19 g/t gold from a depth of 63.60 m;
- Hole 3A18-307 intersected 0.60 m of 2.85 g/t gold from a depth of 80.90 m;
- Hole 3A18-308 intersected 1.00 m of 1.46 g/t gold from a depth of 105.00 m; and
- Hole 3A18-309 intersected 1.00 m of 2.73 g/t gold from a depth of 42.00 m, and 1.00 m of 2.16 g/t gold from a depth of 50.00 m, and 2.00 m of 1.87 g/t gold from a depth of 82.00 m, and 2.50 m of 13.93 g/t gold from a depth of 87.50 m, including 1.00 m of 30.10 g/t gold from a depth of 88.00 m.

## **2018 Summer Drill Program**

November 19, 2018

The Company released results for 27 HQ diamond drill holes amounting to 2,169 meters testing six separate zones within 1.4 by 1.0 km of the Sprogge Area. (see 2. Sprogge, Yukon).

Subsequent to the Sprogge Area drill program, the Company completed an eight-hole, 2,603 m diamond drill program in the Central Core Area targeting the down dip projection of the Hearts Zone. Drill holes were widely spaced along approximately 250 m of strike with the deepest intercept approximately 500 m down dip from the outcrop of the discovery vein. The target zone was successfully intersected with abundant quartz, arsenopyrite and pyrite present in the structures in all seven holes that reached target depth. Logging and sampling of the core is now complete, and samples have been submitted to SGS labs for analysis. Results of this program are expected in early 2019.

## **2. Sprogge, Yukon**

During the year ended December 31, 2017, the Company purchased 100% of the Sprogge property (adjacent to the south eastern boundary of the 3 Aces project) from Alexco Exploration Canada Corp. and Newmont Canada Corporation. As consideration, the Company:

- Paid cash of \$114,500;
- Issued 300,000 common shares;
- Issued 300,000 common share purchase warrants - \$1.00 exercise price and a 37-month term; and
- Granted NSR royalties totaling 2.32% to the vendors.

The Sprogge property was discovered in 1996 by Hemlo Gold Mines while conducting regional exploration in southeastern Yukon targeting intrusion related gold systems and is contiguous with the 3 Aces property. The property was explored with soil sampling, prospecting and mapping, and a four-hole 776 m drill program by various operators including Viceroy Exploration, NovaGold Resources and Newmont Canada from 1997 to 2000. The property did not see any further work until 2011 and 2012 when Northern Tiger Resources acquired the property and conducted additional soil sampling, mapping and prospecting programs. Significant mineralization consisting of gold bearing quartz veins within large areas of anomalous gold in soils occur on the property.

The property is underlain by the same prospective sedimentary strata of the Hyland Group which hosts the known mineral occurrences on 3 Aces property. Recognition of this region to host orogenic gold targets was first suggested by Hart et al in 2005. Historical work in 2011 and 2012 by Northern Tiger confirmed the potential of the property to host significant orogenic style mineralization highlighted by trench results from the Meadows Zone returning a result of 8.5 g/t gold over 6.8 m including 40.5 g/t gold over 1.0 m in a northeast striking fault zone. Along strike to the southeast the Matilda vein has returned values to 23.8 g/t gold. The Ridge East and Ridge West zones also contain significant gold bearing quartz mineralization in shear zones which returned values of 7.6 g/t gold over 2.5 m in trenching and 7.1 g/t gold in a grab sample respectively.

Recent exploration by Golden Predator has significantly increased the understanding of the lithological and structural controls on mineralization on the 3 Aces project. This understanding can be directly applied to the Sprogge property and considerably increases the potential of the property.

## **2018 Summer Drill Program**

November 19, 2018

The Company released results for 27 HQ diamond drill holes amounting to 2,169 meters testing six separate zones within 1.4 by 1.0 km of the Sprogge Area at the 3 Aces Project. Newly discovered, intrusive-hosted disseminated

gold mineralization was encountered in steeply dipping, north-northwest trending felsic dikes. Hole 3A18-335 intercepted 16.86m of 1.35 g/t gold from a depth of 16.2 meters including 1.38m of 8.34 g/t and 0.8m of 7.29 g/t gold. A second hole, 3A18-346, confirmed the intrusive-hosted mineralization. Nine additional holes intercepted gold in quartz veins or veinlets occupying structures at a stratigraphic break.

The newly discovered style of mineralization differs from the Project's structurally-controlled orogenic-style high-grade veins found within the Central Core Area of 3 Aces. Drilling at Sprogge targeted near-surface gold mineralization defined by gold and arsenic in soil geochemical anomalies and subsequent rock chip geochemistry. Gold mineralization at Sprogge is believed to be significantly younger and occur higher in stratigraphy than at the Central Core Area.

The 2018 work program at the Sprogge Area consisted of 30 days of detailed lithologic and structural mapping of the six previously described target areas to define the orientation of structures and lithology controlling gold mineralization. Proposed drill holes tested the down plunge projection of the surface gold showings at relatively shallow depths (< 50 m) as the initial test of the property. Driftwood Drilling completed the helicopter-assisted drill program over a 2-month period from July 22<sup>nd</sup> through September 12th, 2018.

Bedrock lithologies at the Sprogge Area are similar to parts of the Central Core Area located approximately 7 km to the west-northwest. A well developed, southeast plunging, southwest vergent antiform in the Sprogge Area is cored by thick, turbiditic, feldspathic conglomerates and sandstones overlain by fine grained siltstones, mudstones and limestones of the Proterozoic Yusezyu Formation. Uniquely, at the new discovery zone, felsic dikes, 5-30 m wide, are intruded along a north-northwesterly, one-km long trend and are spatially associated with gold mineralization; this is an association that is not known to occur in the Central Core Area 7 km to the west-northwest across a segment of the regionally significant Hyland fault. Isotopic dating of these dikes in the Sprogge Area by Whelan, 2014 yielded zircon U/Pb ages ranging from 95.7 to 103.5 million years.

### 3. Reef, Yukon

During the year ended December 31, 2017, the Company entered into a mineral property option agreement with Precipitate Gold Corp. ("Precipitate") to acquire the Reef property located adjacent to the northern boundary of the 3 Aces Project. Terms of the agreement include:

- a. Cash payments totaling \$1,050,00, as follows:
  - \$400,000 on the closing date (completed);
  - \$150,000 on February 9, 2018 (completed);
  - \$200,000 on February 9, 2019; and
  - \$300,000 on February 9, 2020.
  
- b. Issuance of common shares as follows:
  - 100,000 on the closing date (completed);
  - 100,000 on February 9, 2018 (completed);
  - \$300,000 worth of common shares on February 9, 2019\*; and
  - \$300,000 worth of common shares on February 9, 2020\*.

\* The price per share is based on the 21-day volume weighted average price ("VWAP") at the date of issuance and subject to a floor price equal to the minimum price permitted under the TSX Venture Exchange ("TSXV") policies. The Company will compensate Precipitate in cash for any shortfall to \$300,000 in value caused by the TSXV minimum price policies.

- c. Issuance of common share purchase warrants as follows:
- 100,000 on the closing date - \$1.59 exercise price with a 3-year term (completed);
  - 100,000 on February 9, 2018 - \$2.00 exercise price with a 3-year term (completed);
  - 300,000 on February 9, 2019\*; and
  - 300,000 on February 9, 2020\*.

\* These warrants will have a 3-year term and an exercise price of 150% of the 21-day VWAP at the date of issuance.

- d. The Company granted to Precipitate a 2% NSR royalty on certain of the claims and a 1% NSR royalty on the remaining claims. The Company may repurchase 25% of the NSR royalty, for \$1,000,000, and a further 25% for \$1,500,000.

The Reef property is contiguous with the northern boundary of the 3 Aces property. The Reef property is underlain by the same Hyland Group stratigraphy which hosts the known showings on the 3 Aces property to the south. Historical exploration on the Reef property includes extensive soil geochemical surveys which have outlined an area of anomalous gold and arsenic. Anomalous gold (>25 ppb) in soil geochemistry occurs in several clusters along a 3.2 km north-northeast trend, the largest of which covers 1.4 km of the trend with values ranging up to 774 ppb gold. Rock samples on the property range from below detection to a high of 2.24 g/t gold.

#### 4. Upper Hyland, Yukon

During the year ended December 31, 2017, the Company entered into a mineral property purchase agreement with Bearing Lithium Ltd. ("Bearing") for the purchase of certain mineral claims located in the Upper Hyland River area in the southeast region of the Yukon Territory. The agreement was amended during the current period to extend some of the payment terms. Current terms of the agreement include:

- a. Cash payments totaling \$275,000, as follows:
- \$10,000 on the execution date (completed);
  - \$20,000 on September 28, 2017 (completed);
  - \$60,000 on February 23, 2019;
  - \$85,000 on August 23, 2019; and
  - \$100,000 on December 23, 2020.
- b. Issuance of common shares as follows:
- 35,000 upon TSXV approval of the transaction (completed);
  - 50,000 on September 28, 2017 (completed);
  - \$100,000 worth of common shares on February 23, 2019\*;
  - \$250,000 worth of common shares on August 23, 2019\*; and
  - \$250,000 worth of common shares on December 23, 2020\*.

\* The price per share is based on the 21-day VWAP at the date of issuance and subject to a floor price equal to the minimum price permitted under TSXV policies.

- c. The Company granted Bearing a 2% NSR royalty on certain of the claims and a 1% NSR royalty on the remaining claims. The Company may repurchase 50% of the NSR royalty for \$1,000,000.

The Upper Hyland property is contiguous with the northern boundary of the Reef property. The Upper Hyland property is underlain by the same Hyland Group stratigraphy which hosts the known showings on the 3 Aces and Reef properties to the south. Previous sampling on the Upper Hyland property has outlined three areas with

anomalous gold in soil geochemistry and two grab samples containing visible gold in quartz have been reported. Historically, 265 rock samples were collected from the Upper Hyland property with values ranging from below detection to 22 samples with greater than 1 g/t gold and a maximum value of 144.2 g/t gold. In the most recent exploration in 2010-2011 a new zone, the Zig Zag, was discovered which returned 47.0 g/t, 22.0 g/t and 19.9 g/t gold in float boulders of quartz-arsenopyrite-galena (Bearing Resources Ltd., March 2012 Assessment Report on the Hy-Jay claims).

On September 14, 2017, the Company announced that historical float samples reported from the ZigZag zone were traced upslope and hand trenching resulted in the discovery of a quartz-arsenopyrite vein hosted in phyllite. The vein varies from 5 to 30 cm in thickness with disseminated arsenopyrite along vein selvages in the phyllitic host rock. Sampling returned values to 28.7 g/t gold in float material while chip sampling of the vein in hand trenches returned eleven (11) samples ranging from 0.35 to 18.4 g/t gold.

## **5. Brewery Creek, Yukon**

The Brewery Creek project is a past producing heap leach gold mining operation that produced about 280,000 oz Au from seven near-surface oxide deposits along the property's Reserve Trend from 1996 through 2002, when the mine (operated by Viceroy Resource Corporation) shut down primarily due to low gold prices. The 200 km<sup>2</sup> property is located 55 km due east of Dawson City, and is accessible by paved and gravel roads from the junction of the North Klondike and Dempster Highways.

The Company owns 100% of the property, subject to various royalties, including:

- 2% NSR royalty to Alexco Resources Corp. on the first 600,000 ounces of gold produced, increasing to 2.75% thereafter. The Company can purchase 0.625% of the increased NSR royalty for \$2,000,000;
- A sliding scale royalty based on the price of gold on the first 21,000 ounces;
- 5% net profits royalty ("NPR") over a portion of the property; and
- 2.5% NPR to the Tr'ondek Hwech'in First Nation ("THFN") on areas outside the existing mining permits (part of an Amended and Restated Socio and Economic Accord between the Company and THFN).

The Brewery Creek project contains Indicated Oxide Mineral Resources of 14.1 million tonnes at 1.27 grams per tonne gold (577,000 contained ounces) and Inferred Oxide Mineral Resources of 9.3 million tonnes at 0.93 grams per tonne gold (279,000 contained ounces) as disclosed in the January 10, 2014 NI 43-101 Technical Report which is filed on SEDAR.

The project is in receipt of all necessary permits required to conduct additional exploration. The Brewery Creek project holds a Type A Water License with an expiry date of December 31, 2021, subject to the restrictions and conditions contained in the Yukon Water Act and Regulations.

On November 12, 2014, the Company announced positive Preliminary Economic Assessment (PEA) results on its 100% owned Brewery Creek Project. The PEA is preliminary in nature as it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the preliminary economic assessment will be realized.

The pre-tax NPV of the project ranges from US\$18.1 million at US\$1,150 per ounce of gold to US\$114.5 million at US\$1,500 per ounce of gold with IRRs ranging from 12% to 45% with corresponding gold prices; these scenarios assume a 5% discount rate. Total Life of Mine Capital is estimated to be US\$89.4 million which includes initial capital, sustaining capital, indirect costs and owner costs. The post-tax NPV of the project ranges from US\$4 million at US\$1,150 per ounce of gold to US\$69.36 million at US\$1,500 per ounce gold with IRRs ranging from 7% to 32% with corresponding gold prices.

In October 2016, the Company announced new drill results from a program designed to gather metallurgical, geotechnical and environmental information and samples from the Brewery Creek project. Several of these holes, which were generally shallow and proximal to the existing pits, encountered significantly higher than anticipated gold grades. Highlights included:

- Hole #11 with 8.2 meters (m) of 21.3 g/t gold from 22.2 m down hole including 5.1 m of 32.1 g/t gold from 23.9 m down hole;
- Hole #31 with 17.5m of 5.5 g/t gold from 9.9 meters down hole from the north side of the former Lucky pit floor;
- Hole #25 with 5.6m of 5.2 g/t gold from 21.2 meters down hole from the eastern edge of the former Lucky pit; and
- Composite sample from Hole #24 of two intervals from 25.9m to 27.1m and 34.2m to 35.1m assayed 4.33 g/t gold from the northern portion of the former Lucky pit floor.

Three metallurgical holes and one geotechnical hole at the Lucky deposit intersected high grade gold mineralization below the former pit floors on the northern and eastern sides and in a central area. The program was the first engineering, metallurgical and environmental drilling conducted by the Company at the previously mined Lucky, Kokanee and Golden deposits.

The drill program provided large diameter core for metallurgical testing to demonstrate the expected higher gold recoveries from oxide material after crushing and agglomeration versus the gold recoveries experienced from un-crushed run-of-mine material by the former operator. The drilling will also provide confirmation of the geotechnical parameters used for pit designs and re-establish ground water base line information. Results may provide information for a potential Preliminary Economic Assessment (PEA) update, which is presently being evaluated.

The metallurgical program consisted of twelve (12) PQ core (85 mm diameter) holes totaling 639 m to obtain oxide material for testing. Five holes were drilled at Lucky, five holes were drilled at Kokanee and two holes were drilled at Golden. The metallurgical holes provided, as planned, oxide material for heap leach testing but have additionally provided high grade sulfide material which will be tested for gold recovery by CIL and flotation methods. This was the first metallurgical testing of any non-oxide material at Brewery since preliminary testing in the late 1990s.

Geotechnical and ground-water monitoring drilling consisted of eleven (11) thin wall HQ (71 mm) holes totaling 694 m. Geotech Hole #11 was drilled in the proposed western high-wall of a conceptual expanded Lucky pit and intersected an 8.2m zone of strong quartz veining within quartz monzonite. The hole was subsequently sampled and returned an average assay of 21.2 g/t gold over 8.2 m including 32.1 g/t gold over 5.1m.

In addition, 14 holes totaling 1223.6 m were drilled in other areas of the property. Two holes tested the South Thrust zone, two holes were drilled for condemnation under the unconstructed cell 10 of the heap leach pad and ten holes were drilled west of the West Big Rock deposit. The holes at the leach pad, 595 and 596, confirmed that no significant gold mineralization extends under the leach pad cell 10. The holes at the South Thrust target did not encounter any significant mineralization. Holes drilled to the west of West Big Rock were successful in intercepting numerous intervals of oxidized and non-oxidized quartz monzonite. The best hole was BC16-594 which encountered 55.5 meters of 0.59 g/t gold with an interval near the bottom of this hole with of 7.8 meters at 2.55 g/t gold. Hole BC16-594 was drilled to the south-southeast towards an older RC hole, RC-2461, which encountered a long intercept of gold mineralization as well. The results are confirming an area with a large zone of gold mineralization that still remains open down dip.

#### September 19, 2018

The Company announced the successful completion of a 22-hole exploration and metallurgical drilling program and reported results of the exploration drilling, totaling 880 m at Schooner, Sleeman, Lucky, Bohemian and Lone Star, where gold mineralization was encountered in 8 of 9 holes drilled.

Highlights of the drill program include:

- Lucky Zone-Hole BC 18-604 intersected 8.5 m of 5.05 g/t gold from a depth of 29.00 m including 4.0 m of 9.66 g/t gold from a depth of 33.0 m;
- Schooner Zone-Hole BC 18-597 intersected 6.55 m of 3.03 g/t gold from a depth of 35.75 m and 39.20 m of 1.64 g/t gold from a depth of 52.90 m;
- Lone Star Zone-Hole BC 18-605 intersected 6.0 m of 0.8 g/t gold from a depth of 50.0 m and 2 m of 21.0 g/t gold from a depth of 86.0 m; and
- Sleeman Zone holes BC 18-598 to BC 18-600 extend the known mineralization by over 200 m.

The Company intends to conduct additional exploration drilling at Brewery Creek to follow up on these successful results and drill test several additional untested targets.

The metallurgical drill program included an additional 13 holes and generated large diameter core (PQ) for metallurgical testing to assess alternate processing technology to enhance economics of the project. The metallurgical PQ core was sent to SGS Lakefield where it is undergoing amenability testing for vat leaching. These tests are expected to be completed and announced by the end of the calendar year.

## 6. Sonora Gulch, Yukon

The Sonora Gulch project is located in the Dawson Range gold district in west-central Yukon Territory, on a winter road and within 40 kilometres of Capstone Mining Corp.'s Minto copper-gold mine.

A nine square kilometer gold anomaly has been outlined on the property from 1,971 soil samples. Gold-in-soil values range from trace to 2,340 ppb averaging 56 ppb gold-in-soils. From 2006 to 2011, a total of 14,063 meters were drilled in 67 holes, with high grade gold being intercepted in the Amadeus, Nightmusic and Gold Vein zones.

Also contained within the broad gold anomaly is a copper-molybdenum anomaly, covering a two by one-kilometer area, that is being evaluated as a copper-gold-molybdenum porphyry system. Copper-in-soil values range from trace to 1,870 ppm (443 samples with an average grade of 145 ppm) and molybdenum-in-soil values range from trace to 231 ppm (443 samples with an average grade of 11 ppm).

A NI 43-101 Technical Report was completed in March 2011 by Watts, Griffis and McOuat Limited. A 16,400 meter drill program was recommended. Targets include both structurally or lithologically controlled gold-silver mineralization and bulk tonnage porphyry mineralization.

The Company owns 100% of the property, subject to a 1% NSR royalty.

During the year ended December 31, 2017, the Company optioned the Sonora Gulch property to Taku Gold Corp. ("Taku"). In August 2018, the agreement was amended to extend some of the payment terms. Taku can earn a 100% interest in the Sonora Gulch property by issuing the Company an aggregate of 11,000,000 common shares as follows:

- 4,500,000 on the closing date (received);
- 3,500,000 on August 1, 2019  
(or that number of Taku common shares equal in value to \$1,400,000 based on the 10-day VWAP of Taku's common shares immediately prior to the first anniversary date, if the VWAP is greater than \$0.40); and
- 3,000,000 on August 1, 2020  
(or that number of Taku common shares equal in value to \$1,200,000 based on the 10-day VWAP of Taku's common shares immediately prior to the second anniversary date, if the VWAP is greater than \$0.40).

The Company also retained a 1% NSR royalty on the Sonora Gulch property. The initial tranche of 4,500,000 shares was valued at \$900,000 and recorded as a reduction in the carrying value of the Sonora Gulch property.

## **7. Marg, Yukon**

The Company owns 100% of the Marg property subject to a 1% NSR royalty. The property consists of 402 quartz claims covering approximately 83 km<sup>2</sup> and is located 40 km east of Keno City, Yukon and is located within Class A settlement land owned by the Na-Cho Nyak Dun First Nation.

The Marg property hosts a volcanic-hosted massive sulphide (VMS) deposit with an indicated resource of 3.96 Mt of 1.57% copper, 1.92% lead, 3.90% zinc, 49.40 g/t silver, and 0.79 g/t gold, and an inferred resource of 7.78 Mt of 1.12% copper, 1.36% lead, 2.89% zinc, 34.88 g/t silver, and 0.52 g/t gold. A NI 43-101 technical report and mineral resource estimate on the project was completed by A.A. Burgoyne, P.Eng, M.Sc and G.W. Giroux, P.Eng, M.ASc. in 2011.

In April 2016, 100% of the property was provisionally purchased from the Company for consideration of \$50,000 and 1,967,280 shares (received in escrow) and the Company retained a 1% NSR royalty which the purchaser could repurchase for \$1,000,000 at any time. During the year ended December 31, 2017, the purchaser was unable to meet the conditions of the purchase agreement and the property was returned to the Company and the Company returned the shares to the purchaser.

## **8. Grew Creek, Yukon**

The Grew Creek Project is located 32 km southwest of Faro and 24 km northwest of Ross River, Yukon. The property's 135 square km encompass 666 quartz claims, extending along both sides of the Robert Campbell Highway for approximately 27 km, with power lines traversing the project area. An Exploration Cooperation Agreement and Traditional Knowledge Protocol with the Kaska Nation is in place. The Company owns 100% of the Grew Creek property, subject to a 4% NSR royalty.

A large zone of low-sulfidation epithermal gold mineralization, the Carlos Zone, is defined by core and RC drilling over an area 300 meters along strike, 100 meters wide and 400 meters deep. Golden Predator has drilled over 19,000 meters in 70 holes since 2010 including GCRC11-328, which intercepted 68.0 meters of 5.96 g/t gold from 32.0 m depth, and GC10-001, which intercepted 146.3 meters of 1.72 g/t gold from 40.0 meters' depth.

In October 2016, the Company entered into a Property Option Agreement with Quantum Cobalt Corp. ("Quantum" – formerly Bravura Ventures Corp.) whereby Quantum can earn up to a 90% interest in the Grew Creek property. The terms of the Property Option Agreement include:

- a) A total of \$950,000 to be paid to the Company as follows:
  - \$35,000 – on the closing date (received);
  - \$50,000 – on October 21, 2017 (received);
  - \$75,000 – on October 21, 2018;
  - \$140,000 – on October 21, 2019;
  - \$150,000 – on October 21, 2020;
  - \$250,000 – on October 21, 2021; and
  - \$250,000 – on October 21, 2022.

- b) Issuance to the Company of an aggregate amount of 200,000 common shares and an additional 6% of Quantum to be issued as follows (share amounts have been adjusted to reflect a 10:1 consolidation of Quantum shares in May 2017):
- 50,000 – on the closing date (received, valued at \$90,000);
  - 50,000 – on October 21, 2017 (received, valued at \$32,500);
  - 50,000 – on October 21, 2018;
  - 50,000 – on October 21, 2019;
  - On October 21, 2020 that number of common shares equal to 2% of the issued and outstanding common shares of Quantum for 70% interest in the property;
  - On October 21, 2021 that number of common shares equal to 2% of the issued and outstanding common shares of Quantum for an additional 10% interest in the property; and
  - On October 21, 2022 that number of common shares equal to 2% of the issued and outstanding common shares of Quantum for an additional 10% interest in the property.

If, during the term of the agreement, Quantum receives a technical report (the “First Report”) that (i) complies with NI 43-101, Standards of Disclosure for Mineral Projects, and (ii) defines a resource on the claims, Quantum shall, within 30 days of receipt of such report, pay to the Company an additional \$50,000 and issue an additional 50,000 common shares. If, during the term of the agreement but after its receipt of the First Report, Quantum receives a second technical report (the “Second Report”) that increases the resource estimate by 100% or more over the estimate contained in the First Report, Quantum shall issue to the Company such number of common shares as is equal to two percent (2%) of the issued and outstanding common shares of Quantum on the date that is ten (10) business days prior to the date of receipt of the Second Report.

#### **9. Castle West, Nevada**

During the year ended December 31, 2017, the Company returned the Castle West property to Platoro West Inc., wrote off the December 31, 2016 balance of the property of \$92,641 and paid additional lease fees of US\$20,500 (CAD \$27,537) to the underlying vendors of the two subleases. Platoro is owned by a director of the Company and therefore the lease is considered a related party transaction

#### **10. Other Properties, Yukon**

During the year ended December 31, 2017, the Company sold a number of non-core assets to Taku, including the Chopin, Korat, Lucky Joe and Fortymile projects. As consideration, Taku issued the Company 3,500,000 common shares and granted the Company NSR royalties on the Chopin (1%), Korat (1%), Lucky Joe (1.5%) and Fortymile (0.5%) claims. The shares received were valued at \$735,000. Of this amount, \$11,720 was recorded as a reduction in mineral property values (bringing their carrying value to nil) and the remainder was recorded as a gain on sale.

In October 2016, the Company entered into an option agreement to acquire the Fortymile project in the Yukon. Prior to transferring the project to Taku, the Company paid \$10,000 to the vendor of the property under the initial option agreement. Taku has assumed the remaining obligations under the original option agreement

*Mr. Mark Shuttly, CPG, a Qualified Person as defined by National Instrument 43-101 and Geologist for the Company, has reviewed, verified and approved disclosure of the technical information contained in this MD&A.*

## SUMMARY OF QUARTERLY RESULTS

The following is a summary of selected financial information for the most recent eight quarters:

	<b>September 30, 2018</b>	<b>June 30, 2018</b>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Exploration	\$(4,562,567)	\$(2,626,187)	\$(2,418,961)	\$(2,659,212)
G&A	(939,705)	(926,540)	(903,331)	(1,051,445)
Sales of gold coins and bars	112,675	52,976	342,219	-
Cost of gold sales	(103,196)	(63,590)	(358,380)	-
Settlement of flow-through share premium liabilities	723,606	472,815	383,881	-
Interest revenue	32,088	33,877	26,637	21,707
Gain on sale of equipment	20,595	-	-	-
Gain (loss) on derivative asset	17,500	(35,000)	(87,500)	(122,500)
Gain (loss) from investment in associate	(66,227)	(16,866)	619	(121,431)
Interest expense on finance lease obligation	(8,575)	(9,735)	(3,594)	-
Foreign exchange gain (loss)	(8,831)	13,640	3,749	(16,464)
Change in inventory value	(22,917)	(15,272)	21,674	-
Realized loss on sale of marketable securities	-	(22,838)	-	(52,315)
Unrealized gain (loss) on marketable securities	(5,166)	(105,618)	(49,789)	183,625
Net loss and comprehensive loss	<u>\$(4,810,720)</u>	<u>\$(3,248,338)</u>	<u>\$(3,042,776)</u>	<u>\$(3,818,035)</u>
Basic & diluted loss per share	<u>\$ (0.04)</u>	<u>\$ (0.03)</u>	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>

	<b>September 30, 2017</b>	<b>June 30, 2017</b>	<b>March 31, 2017</b>	<b>December 31, 2016</b>
Exploration	\$(5,553,078)	\$(4,145,168)	\$(2,330,073)	\$(4,245,081)
G&A	(917,898)	(1,127,091)	(1,129,021)	(1,266,753)
Impairment of mineral properties	-	-	(30,518)	-
Settlement of flow-through share premium liabilities	271,989	438,465	305,058	425,000
Gain on sale of mineral properties	723,280	-	-	-
Interest revenue	37,170	12,683	31,075	-
Gain (loss) on derivative asset	178,977	-	-	-
Gain (loss) from investment in associate	(81,318)	-	-	-
Loss on settlement of promissory note	-	(125,045)	-	-
Interest expense on promissory note	-	(49,383)	(125,152)	(69,168)
Foreign exchange gain (loss)	(1,181)	230	(6,798)	(15,836)
Realized gain on sale of marketable securities	-	8,140	21,762	-
Unrealized gain (loss) on marketable securities	298,100	(70,238)	(19,732)	(24,244)
Net loss and comprehensive loss	<u>\$(5,043,959)</u>	<u>\$(5,057,407)</u>	<u>\$(3,283,399)</u>	<u>\$(5,196,082)</u>
Basic & diluted loss per share	<u>\$ (0.06)</u>	<u>\$ (0.05)</u>	<u>\$ (0.04)</u>	<u>\$ (0.07)</u>

## RESULT OF OPERATIONS

Exploration expenses can fluctuate greatly during the year, depending on the scope and timing of the Company's exploration programs as well as the availability of cash to finance exploration activities. As a result of the Company's successful financing activities during fiscal 2016, 2017 and 2018, exploration activity has ramped up significantly since 2016. The Company's quarterly general and administrative expenses also fluctuate and are influenced by the amount of exploration work occurring, investor relations activities and the amount of stock-based compensation expense related to option grants. The non-cash item 'settlement of flow-through share premium liabilities' can also vary significantly from period to period depending on the amount of flow-through financing completed and when the related proceeds are used for exploration activities. A significant gain on sale of mineral properties was recorded in quarter three of 2017. These items are the primary drivers for the variation in net losses from quarter to quarter.

The Company's net loss may vary significantly in future quarters depending on the scope of the Company's exploration activities and the timing and amounts of non-cash expenses such as stock-based compensation, settlement of flow-through share premium liabilities, and mineral property impairments.

### **Nine months ended September 30, 2018**

The Company had a net loss and comprehensive loss of \$11,101,834 for the nine months ended September 30, 2018, a decrease of \$2,282,931 from the net loss and comprehensive loss of \$13,384,765 for the nine months ended September 30, 2017. The decrease is primarily the result of a decrease in exploration expenses from the comparative period.

Exploration expenses were \$9,607,715 for the nine months ended September 30, 2018 compared to \$12,028,319 for the nine months ended September 30, 2017, a decrease of \$2,420,604. The decrease is related to a scaled back drilling program on the 3 Aces project during the current period when compared to the same period in the prior year.

General and administrative ("G&A") costs were \$2,769,576 during the nine months ended September 30, 2018 compared to \$3,174,010 during the comparative period in the prior year, representing a decrease of \$404,434. The primary driver of the decrease in G&A costs was a decrease of \$352,329 in share-based compensation. Share-based compensation was \$838,717 during the nine months ended September 30, 2018 compared to \$1,191,046 during the comparative period in the prior year. Share-based compensation expense varies with the timing of option grants and their vesting schedules.

In addition to the above, the following items had significant effects on the net loss for the period:

- Sales of gold bars and coins of \$507,870 (2017 - \$nil) and cost of gold sales of \$525,166 (2017 - \$nil) were recorded in the current period as the Company began selling gold bars and coins through its Yukon Mint Corporation subsidiary. This is a new initiative, and there were no similar transactions in the comparative period.
- Settlement of flow-through share premium liabilities decreased the net loss in the current period by \$1,580,302 (2017 - \$1,015,512). This non-cash item can vary significantly from period to period depending on the amount of flow-through financing completed and when the related proceeds are used for exploration activities.
- A loss on derivative assets of \$105,000 was recorded (2017 - gain of \$178,977) related to the fair value adjustment for warrants received from participating in a private placement financing of Taku Gold Corp.
- Interest expense on promissory note of \$nil (2017 - \$174,536) and loss on settlement of promissory note of \$nil (2017 - \$125,045) were recorded. The promissory note was fully repaid in 2017, so there were no comparable expenses in the current period.
- An unrealized loss on marketable securities of \$160,573 (2017 - gain of \$208,130) was recorded related to the fair market value of the marketable securities held by the Company.
- A gain on sale of mineral property of \$nil (2017 - \$723,280) was recorded in 2017 for the sales of Chopin, Korat, Lucky Joe and Fortymile properties to Taku Gold Corp. No similar transaction was incurred in the current period.

### **Three Months ended September 30, 2018**

The Company had a net loss and comprehensive loss of \$4,810,720 for the three months ended September 30, 2018, a decrease of \$233,239 from the net loss and comprehensive loss of \$5,043,959 for the three months ended September 30, 2017. Exploration expenses were \$4,562,567 for the three months ended September 30, 2018 compared to \$5,553,078 for the three months ended September 30, 2017, a decrease of \$990,511. The decrease is related to a scaled back drilling program on the 3 Aces project during the current period when compared to the same period in the prior year. General and administrative ("G&A") costs were quite consistent with the comparative quarter, at \$939,705 for the three months ended September 30, 2018 compared to \$917,898 for the three months ended September 30, 2017.

In addition to the above, the following items had significant effects on the net loss for the period:

- Sales of gold bars and coins of \$112,675 (2017 - \$nil) and cost of gold sales of \$103,196 (2017 - \$nil) were recorded in the current period as the Company began selling gold bars and coins through its Yukon Mint Corporation subsidiary in 2018. This is a new initiative, and there were no similar transactions in the comparative period.
- Settlement of flow-through share premium liabilities decreased the net loss in the current period by \$723,606 (2017 - \$271,989). This non-cash item can vary significantly from period to period depending on the amount of flow-through financing completed and when the related proceeds are used for exploration activities.
- A gain on derivative assets of \$17,500 was recorded (2017 - \$178,977) related to the fair value adjustment for warrants received from participating in a private placement financing of Taku Gold Corp.
- Unrealized losses on marketable securities were \$5,166 versus a gain of \$298,100 in the comparative quarter. The gain in the three months ended September 30, 2017 was significantly larger than usual due to the relatively high value of Taku shares when the Company switched their accounting treatment from being marketable securities to be an investment in associate upon acquiring significant influence of Taku.
- A gain on sale of mineral property of \$nil (2017 - \$723,280) was recorded in 2017 for the sales of Chopin, Korat, Lucky Joe and Fortymile properties to Taku Gold Corp. No similar transaction was incurred in the current period.

## LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2018, the Company had cash and cash equivalents of \$4,456,281 (December 31, 2017 - \$3,829,802) and working capital of \$3,410,159 (December 31, 2017 - \$3,456,454). The Company has no source of operating cash flows and operations to date have been funded primarily from the issue of share capital.

In February 2018, the Company completed a financing by way of short form prospectus. A total of 9,212,378 flow-through units (the "Flow-Through Units") at a price of \$0.91 per Flow-Through Unit were sold for aggregate gross proceeds of \$8,383,264. Each Flow-Through Unit consists of one Class A common share (a "Common Share") and one-half of one (non-flow-through) Common Share purchase warrant, exercisable at \$1.00 per Common Share. The Company paid a 7.0% commission (\$586,828), \$309,344 in other fees and issued 460,618 share purchase warrants to the Underwriter valued at \$142,792. The Underwriter's warrants are exercisable into Common Shares at a price of \$0.91 per Common Share, for a period of two years from the closing date. The net proceeds from the financing will be used to finance qualified Canadian exploration expenses as defined in the *Income Tax Act* (Canada), primarily on the Company's 3 Aces Project.

In March 2017, 7,187,500 Class A common shares at a price of \$1.60 per share and 3,108,450 flow-through Class A common shares at a price of \$1.85 per flow-through share were sold for aggregate gross proceeds of \$17,250,633. The Company paid share issuance costs of \$1,475,284 and issued 251,562 share purchase warrants to the underwriters. The underwriters' warrants are exercisable into Class A common shares at a price of \$1.60 per share, for a period of two years from the closing date. The net proceeds from the sale of the Class A common shares will be used primarily to fund further exploration of the 3 Aces Project and working capital requirements or for other general corporate purposes. The proceeds raised from the sale of the flow-through Class A common shares will be used by the Company to finance qualified Canadian exploration expenses as defined in the *Income Tax Act* (Canada).

## Results of Operations from Previous Financings

### a) March 2017 Financing

On March 14, 2017, the Company completed a bought deal offering for 7,187,500 common shares at a price of \$1.60 per share and 3,108,450 flow-through shares at a price of \$1.85 per flow-through share for gross proceeds of \$17,250,633. The Company paid share issuance costs of \$1,475,284 for net proceeds of \$15,775,349. Proceeds from the financing were to be used on the Company's 3 Aces project, for working capital requirements or for other general corporate purposes.

	Actual Spent	Forecast to be spent	Expected variance
<b>3 Aces Project</b>	\$13,000,000	\$0	\$0
<b>Brewery Creek Project</b>	\$175,000	\$0	\$0
<b>Working capital</b>	\$2,600,349	\$0	\$0

### b) February 2018 Financing

On February 13, 2018, the Company completed a financing via a short form prospectus and raised aggregate gross proceeds of \$8,383,264 by issuing a total of 9,212,378 flow-through units at a price of \$0.91 per flow-through unit. The Company paid share issue costs of \$896,172 for net proceeds of \$7,487,092. Proceeds from the financing are to be used on the Company's 3 Aces project.

	Actual Spent	Forecast to be spent	Expected variance
<b>3 Aces Project</b>	\$7,487,092	\$0	\$0

## RELATED PARTY TRANSACTIONS

### a) Key management compensation

The compensation paid or payable to key management (Officers and Directors) for management services provided is as follows:

<b>Name and relationship to the Company</b>	<b>Nine months ended September 30, 2018</b>	<b>Nine months ended September 30, 2017</b>
William Sheriff, Executive Chairman of the Board	\$ 135,000	\$ 157,500
Janet Lee-Sheriff, CEO	150,000	150,000
Greg Hayes, CFO and former director	125,000	72,139
William Harris, Director	9,000	-
Kathryn Johnson, Former CFO	-	76,378
Jesse Duke, Former director	-	5,000
	419,000	461,017
Stock-based compensation	454,563	550,821
<b>Total compensation</b>	<b>\$ 873,563</b>	<b>\$ 1,011,838</b>

### b) Other transactions

In August 2014, the Company entered into a Mining Lease and Sublease Agreement (the "Agreement") with a company owned by the Executive Chairman of the Board, Platoro West Inc. ("Platoro") on its Castle West property

in Esmeralda County, Nevada. The Agreement required payments to Platoro totaling US\$175,000 over six years, with annual payments of US\$35,000 commencing on the seventh anniversary. During the year ended December 31, 2017, the Company returned the Castle West property to Platoro, wrote off the December 31, 2016 balance of the property of \$92,641 and paid additional lease fees of US\$20,500 (CAD \$27,537) to two underlying vendors.

During the nine months ended September 30, 2018, the Company recovered \$63,000 (2017 - \$nil) from Taku Gold Corp. ("Taku"), an associated company, for Taku's share of rent and office salaries.

**c) Balances outstanding**

There was \$26,742 due to officers of the Company in accounts payable and accrued liabilities at September 30, 2018 (December 31, 2017 - \$3,789).

There was \$18,451 due from Taku at September 30, 2018 (December 31, 2017 - \$3,243).

**COMMITMENTS**

- a) The Company has leases on office space in Vancouver (ending May 31, 2021) and Watson Lake (ending January 31, 2020), as well as leases on accommodation in Vancouver (ending December 31, 2018) and Whitehorse (ending May 14, 2019). These leases commit the Company to the following future minimum lease payments as at September 30, 2018:

<b>Year</b>	<b>Payments</b>
2018	\$ 39,267
2019	\$ 106,670
2020	\$ 82,288
2021	\$ 83,406
2022	\$ 35,259

- b) On January 28, 2013, the Company entered into an Exploration Memorandum of Understanding (the "MOU") with Kaska Nation represented by the Ross River Dena Council and Liard First Nation regarding exploration activity in their traditional territory. Under the MOU, the Company will pay an annual Community Development fee of 2% of "on the ground" exploration expenditures.
- c) An Amended and Restated Socio-Economic Accord for the Brewery Creek Project was entered into with the Tr'ondëk Hwëch'in First Nation ("THFN") which took effect September 2012. Key aspects of the Socio-Economic Accord include the Company's commitment in respect of training and scholarships, and the annual community legacy project grant, amounting to \$45,000 per annum.

## ANALYSIS OF EXPLORATION COSTS

A summary of exploration costs for the mineral properties is as follows:

<b>Nine months ended September 30, 2018</b>	<b>3 Aces</b>	<b>Brewery Creek</b>	<b>Other Properties</b>	<b>Total</b>
Personnel	\$ 2,891,223	\$ 198,957	\$ -	\$ 3,090,180
Drilling	1,948,007	319,659	-	2,267,666
Logistics and support	1,342,314	91,405	-	1,433,719
Field and general	919,755	-	-	919,755
Geochemistry and metallurgy	307,233	38,222	-	345,455
Community and environment	375,402	31,220	-	406,622
Helicopter and airplane	615,951	22,300	-	638,251
Amortization	470,480	11,613	-	482,093
Geophysics	11,987	-	11,987	23,974
	<b>\$ 8,882,352</b>	<b>\$ 713,376</b>	<b>\$ 11,987</b>	<b>\$ 9,607,715</b>

<b>Nine months ended September 30, 2017</b>	<b>3 Aces</b>	<b>Brewery Creek</b>	<b>Other Properties</b>	<b>Total</b>
Personnel	\$ 3,129,285	\$ 480	\$ 2,239	\$ 3,132,004
Drilling	2,439,416	-	-	2,439,416
Field and general	2,395,769	-	-	2,395,769
Logistics and support	1,568,723	-	-	1,568,723
Geochemistry	1,187,591	31,380	-	1,218,971
Helicopter and airplane	520,080	3,226	-	523,306
Community and environment	346,466	25,780	2,070	374,316
Amortization	228,351	16,918	-	245,269
Geophysics	34,436	-	-	34,436
Miscellaneous	33,250	29,127	33,732	96,109
	<b>\$ 11,883,367</b>	<b>\$ 106,911</b>	<b>\$ 38,041</b>	<b>\$ 12,028,319</b>

Please refer to the unaudited condensed consolidated interim financial statements for the period ended September 30, 2018 and 2017 for an analysis of the Company's capitalized acquisition costs.

## ACCOUNTING POLICIES

The Company's significant accounting policies are described in Note 2 to the Company's annual financial statements for the years ended December 31, 2017 and 2016. Changes resulting from the current period adoption of new accounting standards are described in Note 2 to the Company's interim financial statements for the nine months ended September 30, 2018 and 2017. Upcoming changes due to new accounting standards are discussed below:

*IFRS 16 - Leases* will replace *IAS 17* and three related interpretations. Leases will be recorded on the statement of financial position in the form of a right-of-use asset and a lease liability. *IFRS 16* is effective from periods beginning on or after January 1, 2019. Management does not anticipate that the new standard will have a material effect on the Company's consolidated financial statements.

## OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2018, the Company had no material off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

## **FINANCIAL INSTRUMENTS**

Financial instruments include cash and any contract that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at September 30, 2018 and December 31, 2017, the Company's carrying values of cash and cash equivalents, marketable securities and accounts payable approximate their fair values due to their short term to maturity.

The three levels of the fair value hierarchy are:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

As at September 30, 2018 and December 31, 2017, the Company's marketable securities are based on level 1 inputs of the fair value hierarchy, and the derivative asset is based on level 3 inputs of the fair value hierarchy. Marketable securities values are based on the closing trading price of the shares on public stock exchanges at the period-end date. The fair value of the derivative asset was estimated using the Black-Scholes model with the assumptions disclosed in Note 7 of the Company's interim financial statements for the nine months ended September 30, 2018 and 2017.

## **FINANCIAL RISKS MANAGEMENT**

### **Market risk**

Market risk is the risk of loss that may arise from changes in market fluctuations such as those listed below. The fluctuations may be significant.

### **Foreign exchange risk**

The Company operates mainly in Canada but a small portion of the Company's financial assets and liabilities are denominated in US dollars. The Company does not undertake currency hedging activities but continuously monitors its exposure to foreign exchange risk to determine if any mitigation strategies warrant consideration.

### **Credit risk**

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, receivables and reclamation bonds. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents consist of cash held in bank accounts at a major Canadian financial institution and accounts receivable consist primarily of trade receivables from the sale of gold bars and coins and of goods and services tax receivable, for which management believes the risk of significant loss to be minimal. Reclamation bonds consist of term deposits and guaranteed investment certificates, which have been invested with reputable financial institutions, from which management believes the risk of loss to be minimal.

### **Interest rate risk**

Interest rate risk mainly arises from the Company's cash and cash equivalents, which receive interest based on market interest rates. Fluctuations in interest cash flows due to changes in market interest rates are not significant. The Company's borrowings are at fixed rates.

### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its current obligations as they become due. The Company prepares annual exploration and administrative budgets and monitors expenditures to manage short-term liquidity. Due to the nature of the Company's activities, funding for long-term liquidity needs is dependent on the Company's ability to obtain additional financing through various means, including equity financing. There can be no

assurance that the Company will be able to obtain adequate financing or that the terms of such financing will be favorable. As at September 30, 2018, the Company had working capital of \$3,410,159 (December 31, 2017 - \$3,456,454).

The following tables detail the Company's expected remaining contractual cash flow requirements for its financial liabilities on repayment or maturity periods. The amounts presented are based on the contractual undiscounted cash flows and may not agree with the carrying amounts on the Statements of Financial Position.

<b>As at September 30, 2018</b>	<b>Up to 1 year</b>		<b>1-5 years</b>		<b>Total</b>
Accounts payable and accrued liabilities	\$	2,166,563	\$	-	\$ 2,166,563
Finance lease liability		169,653		80,251	249,904
Flow-through share premium liability		77,926		-	77,926
	<b>\$</b>	<b>2,414,142</b>	<b>\$</b>	<b>80,251</b>	<b>\$ 2,494,393</b>

<b>As at December 31, 2017</b>	<b>Up to 1 year</b>		<b>1-5 years</b>		<b>Total</b>
Accounts payable and accrued liabilities	\$	2,071,990	\$	-	\$ 2,071,990

#### **Price risk**

The Company is exposed to price risk with respect to equity and commodity prices. Equity price risk is the risk of loss associated with movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is the risk of loss associated with commodity price movements. The Company closely monitors individual equity movements, the stock markets and commodity prices to determine appropriate actions to be taken by the Company. The Company has investments in certain publicly traded companies (marketable securities), and there can be no assurance that the Company can exit these positions if required, so there is a risk that proceeds may not approximate the carrying value of these investments. A 10% fluctuation in the price of the Company's marketable securities would increase or decrease comprehensive loss by \$28,223 at September 30, 2018 (December 31, 2017 - \$49,645). A 10% fluctuation in the price of gold could increase or decrease loss and comprehensive loss by \$30,340 at September 30, 2018 (December 31, 2017 - \$74,433).

#### **CAPITAL MANAGEMENT**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and development of its mineral properties, acquire additional mineral property interests and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable level of risk. In the management of capital, the Company includes components of shareholders' equity. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents, short-term investments, and marketable securities.

The Company is not currently subject to externally imposed capital requirements. There were no changes in the Company's approach to capital management during the periods ended September 30, 2018 and December 31, 2017.

#### **PROPOSED TRANSACTIONS**

There are no proposed transactions that have not been disclosed herein.

## **CRITICAL ACCOUNTING ESTIMATES**

The Company has prepared its financial statements in accordance with the International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). Note 2 of the annual consolidated financial statements for the years ended December 31, 2017 and 2016 provides details of significant accounting policies and accounting policy decisions for significant or potentially significant areas that have had an impact on the Company’s financial statements or may have an impact in future periods. Changes resulting from the current period adoption of new accounting standards are described in Note 2 to the Company’s interim consolidated financial statements for the nine months ended September 30, 2018 and 2017.

The preparation of financial statements in conformity with IFRS requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities, as well as revenues and expenses. Readers are encouraged to refer to the critical accounting policies and estimates as described in the Company’s annual consolidated financial statements for the years ended December 31, 2017 and 2016 and the interim consolidated financial statements for the nine months ended September 30, 2018 and 2017.

## **CONTINGENCIES**

There are no contingent liabilities that have not been disclosed herein.

## **DISCLOSURE CONTROLS AND PROCEDURES**

In connection with National Instrument 52-109 (Certificate of Disclosure in Issuer’s Annual and Interim Filings) (“NI 52-109”), the Chief Executive Officer and Chief Financial Officer of the Company have filed a Venture Issuer Basic Certificate with respect to the financial information contained in the unaudited condensed consolidated interim financial statements for the nine month period ended September 30, 2018 and 2017 and this accompany Companying MD&A (together, the “Interim Filings”).

In contrast to the full certificate under NI 52-109, the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures and internal control over financial reporting, as defined in NI 52-109. For further information, the reader should refer to the Venture Issuer Basic Certificates filed by the Company with the Interim Filings on SEDAR at [www.sedar.com](http://www.sedar.com).

## **MANAGEMENT’S RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the financial statements.

## **OTHER MD&A REQUIREMENTS**

Additional disclosure of the Company’s technical reports, material change reports, news releases and other information can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

## **FORWARD-LOOKING INFORMATION**

This Management Discussion and Analysis contains “forward-looking information” which includes, but is not limited to, information about the transactions, statements with respect to the future financial or operating performances of the Company and its projects, the use of proceeds from financings, expected contractual cash flow requirements, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production revenues, margins, costs of production, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, cost and timing of plant and equipment, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation and rehabilitation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of pending litigation and regulatory matters. Often, but not always, forward-looking information statements can be identified by the use of words such as “proposes”, “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes”, or variations (including negative variations) of such words and phrases, or state that certain actions, events or results “may”, “could”, “would”, “might”, or “will” be taken, occur or be achieved.

The forward-looking statements are based on a number of assumptions, including, but not limited to, assumptions regarding general business, regulatory and economic conditions, the supply and demand for, and the level and volatility of the price of gold, the timing of the receipt of regulatory and government approvals for our development projects once the decision has been made to advance to production, the costs of production and the productivity levels as well as those of our competitors, power prices, availability of water and power resources for our future operations, market competition, the accuracy of our reserve and resource estimates (including with respect to size, grade and recoverability) and the geological, operational and price assumptions on which these are based, conditions in financial markets, our ability to attract and retain skilled staff, and our ability to procure equipment and operating supplies. Assumptions regarding capital costs, mine life and other parameters for the Brewery Creek property are based on assumptions in the Preliminary Economic Assessment.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities and feasibility studies; assumptions in economic evaluations that may prove inaccurate; fluctuations in the value of the Canadian or US dollar; future prices of gold; possible variations of ore grade or recovery rates; failure of plant or equipment or failure to operate as anticipated; accidents; labour disputes or slowdowns or other risks of the mining industry; climatic conditions; political instability; or arbitrary decisions by government authorities.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this Management Discussion and Analysis based on the opinions and estimates of management. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

## **RISKS AND UNCERTAINTIES**

Prior to making an investment decision, investors should consider the investment risks set out below and those described elsewhere in this document, which are in addition to the usual risks associated with an investment in a business at an early stage of development. The directors of the Company consider the risks set out below to be the most significant to potential investors in the Company, but are not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible

additional risks and uncertainties of which the Directors are currently unaware, or which they consider not to be material in relation to the Company's business, actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of the Company's securities could decline and investors may lose all or part of their investment.

#### **Availability of financing**

There is no assurance that additional funding will be available to the Company for additional exploration or for the substantial capital that is typically required in order to bring a mineral project to the production decision or to place a property into commercial production. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and development of its properties.

#### **Title matters**

While the Company has performed its due diligence with respect to title of its properties, this should not be construed as a guarantee of title. The properties may be subject to prior unregistered agreements of transfer or other adverse land claims, and title may be affected by undetected defects.

#### **Management**

The Company is dependent on a relatively small number of key personnel, the loss of any of whom could have an adverse effect on the Company.

#### **Economics of developing mineral properties**

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines.

With respect to the Company's properties, should any mineral resource exist, substantial expenditures will be required to confirm that mineral reserves which are sufficient to commercially mine exist on its current properties, and to obtain the required environmental approvals and permits required to commence commercial operations. Should any resource be defined on such properties, there can be no assurance that the mineral resources on such properties can be commercially mined or that the metallurgical processing will produce economically viable, merchantable products. The decision as to whether a property contains a commercial mineral deposit and should be brought into production will depend upon the results of exploration programs and/or feasibility studies, and the recommendations of duly qualified engineers and/or geologists, all of which involves significant expense. This decision will involve consideration and evaluation of several significant factors including, but not limited to: (i) costs of bringing a property into production, including exploration and development work, preparation of production feasibility studies and construction of production facilities; (ii) availability and costs of financing; (iii) ongoing costs of production; (iv) market prices for the minerals to be produced; (v) environmental compliance regulations and restraints (including potential environmental liabilities associated with historical exploration activities); and (vi) political climate and/or governmental regulation and control.

The ability of the Company to sell and profit from the sale of any eventual mineral production from any of the Company's properties will be subject to the prevailing conditions in the global minerals marketplace at the time of sale. The global minerals marketplace is subject to global economic activity and changing attitudes of consumers and other end users' demand for mineral products. Many of these factors are beyond the control of the Company and therefore represent a market risk that could affect the long-term viability of the Company and its operations.

## OUTSTANDING SHARE DATA AS AT NOVEMBER 23, 2018

a) 130,656,088 Class A common shares are issued and outstanding.

b) Outstanding stock options:

<b>Expiry Date</b>	<b>Outstanding Options</b>	<b>Exercise Price (\$)</b>
February 25, 2019	575,000	0.17
May 24, 2019	210,000	0.43
June 3, 2019	1,440,000	0.66
June 20, 2019	75,000	0.95
July 20, 2019	30,000	0.82
August 10, 2019	92,500	0.91
October 7, 2019	330,000	0.69
October 11, 2019	25,000	0.72
October 14, 2019	25,000	0.80
October 19, 2019	5,000	0.75
November 9, 2019	10,000	0.77
November 23, 2019	20,000	0.56
January 20, 2020	85,000	0.99
February 1, 2020	50,000	1.51
March 21, 2020	435,000	1.60
March 21, 2020	70,000	1.41
April 24, 2020	25,000	1.32
May 4, 2020	25,000	1.27
August 18, 2020	40,000	1.16
September 1, 2020	50,000	1.08
September 13, 2020	15,000	0.90
September 30, 2020	700,000	0.91
October 20, 2020	35,000	0.85
December 4, 2020	40,000	0.64
February 26, 2021	870,000	0.75
April 21, 2021	120,000	0.49
June 20, 2021	830,000	0.42
July 17, 2021	60,000	0.42
July 25, 2021	30,000	0.42
September 7, 2021	1,800,000	0.42
	<b>8,117,500</b>	<b>0.65</b>

c) Outstanding warrants:

<b>Expiry Date</b>	<b>Outstanding Warrants</b>	<b>Exercise Price (\$)</b>
March 14, 2019	251,562	1.60
February 13, 2020	4,606,189	1.00
February 13, 2020	460,618	0.91
March 23, 2020	100,000	1.59
December 21, 2020	300,000	1.00
February 2, 2021	100,000	2.00
	<b>5,818,369</b>	<b>1.05</b>

**DIRECTORS AND OFFICERS**

William M. Sheriff, Executive Chairman

William B. Harris, Audit Committee Chairman & Director

Richard Goldfarb, Director

Dennis Fentie, Director

Bradley Thiele, Director

Tony Lesiak, Director

Stefan Spears, Director

Janet Lee-Sheriff, CEO

Greg Hayes, CFO