



Management's Discussion and Analysis For the Nine Months Ended May 31, 2018

Date: July 30, 2018

This Management Discussion and Analysis ("MD&A") relates to the financial position and results of operations of ML Gold Corp. ("ML Gold" or the "Company") for the nine months ended May 31, 2018. This MD&A should be read in conjunction with the Company's condensed interim consolidated financial statements for the three and nine months ended May 31, 2018 (the "Financial Statements"). The Financial Statements and related notes have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Unless otherwise noted, all references to currency in this MD&A are in Canadian dollars.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

Overview of the Company

ML Gold Corp. is a Canadian listed company, focused on the exploration and development of its Canadian and United States mineral projects. The Company is currently exploring the Aspen gold and Pinnacle Reef properties in British Columbia, Canada, and Palmetto gold project in Nevada, USA and its newly acquired Stars project in the Omineca Mining Division located in north central British Columbia. Additionally, the company is retaining the Block 103 iron ore project ("Schefferville") in Labrador, Canada, which hosts an initial NI 43-101 inferred resource of 7.2 billion tonnes at 29.2 per cent total iron.

In October 2016, the Company entered into an option agreement to acquire a 100% right, title and interest to unpatented mining claims (the "Palmetto Project") located in Nevada. In order to exercise the option and acquire the Palmetto Project, the Company must make option payments totalling US\$1,450,000 over a period of three years (Amended in February 2018, the Company must make option payments totalling US\$1,440,000 over a period of six years.) Upon full payment of the option payments, the Company will acquire the Palmetto Project free and clear of any royalties. In September 2017, the Company entered into an amendment agreement that the Company paid \$10,000 to extend the cash payment originally due October 15, 2017 to December 14, 2017. In December 2017, the Company entered into a new amendment agreement that the Company paid an additional \$12,000 to extend the cash payment due December 14, 2017 to February 12, 2018. In February 2018, the Company paid an additional \$10,000 to amend the Company's obligations and due dates to pay the optionors.

In November 2017, the Company entered into two separate option agreements to acquire, by way of option, up to 80% of mining claims in the Omineca Mining Division located in north central British Columbia, approximately 40 kilometers south - southwest of Houston (collectively, the "Stars Property").

The first agreement (the "First Agreement") is with Pacific Empire Minerals Corp., an arm's length party which currently owns 50% of the Stars Property. Under the terms of the First Agreement, the Company has the option to earn up to a 30% interest in the Stars Property by completing the following:

- Making cash payments of \$10,000, and issuing 100,000 common shares upon TSX-V approval, and completing \$500,000 in expenditures on the property within the first year.

- Making cash payments of \$20,000, issuing 200,000 common shares on or before the first anniversary of TSX-V approval, and completing \$1,000,000 in expenditures on the property within the second year.
- Making cash payments of \$50,000, and issuing 300,000 common shares on or before the second anniversary of TSX-V approval, and completing \$3,000,000 in expenditures on the property within the third year.

The second agreement (the "Second Agreement") is with Divitiae Resources Ltd., a non-arm's-length party owned by Adrian Smith, P. Geo, a director of the Company, which currently owns 50% of the Stars Property. Under the terms of the Second Agreement, the Company has the option to earn up to an additional 50% interest in the Stars Property by completing the following:

- Making cash payments of \$10,000, and issuing 200,000 common shares upon TSX-V approval.
- Making cash payments of \$20,000, issuing 400,000 common shares on or before the first anniversary of TSX-V approval.
- Making cash payments of \$50,000, and issuing 300,000 common shares on or before the second anniversary of TSX-V approval.
- Making cash payments of \$50,000, and issuing 1,000,000 common shares on or before the third anniversary of TSX-V approval.

The Company can earn a total of 80% interest in the Stars Property by fully exercising the options in the First Agreement and the Second Agreement as outlined above. As of June 5, 2018, the First Agreement and the Second Agreement were approved by the TSX-V.

In December 2017, the Company closed a private placement financing of 5,841,600 non flow-through units ("NFT Unit") at a price of \$0.10 per unit and 5,482,077 flow-through units ("FT Unit") at a price of \$0.13 per unit for gross proceeds of \$1,296,830.

- Each NFT Unit is comprised of one common share of the Company and one full non-transferable warrant, which is exercisable into one common share at a price of \$0.15 for a period of two years.
- Each FT Unit is comprised of one flow-through common share of the Company and one half of one non-transferable warrant, which is exercisable into one common share at a price of \$0.18 for a period of two years.

Finder's fees totalling \$18,188 cash and 150,570 finder's warrants were paid and issued in connection with the private placement financing. Each finder's warrant entitles the holder to purchase one common share of the Company, whereas 104,370 and 46,200 finder's warrants are exercisable at a price of \$0.18 and \$0.15 respectively, for a period of two years from closing.

In January 2018, the Company granted 2,000,000 stock options to certain officers, directors, and consultants of the Company for a term of five years exercisable at a price of \$0.11 per common share.

In June 2018, the Company closed a non-brokered private placement financing of 12,737,500 non flow-through units ("June NFT Unit") at a price of \$0.08 per unit and 6,050,000 flow-through units ("June FT Unit") at a price of \$0.10 per unit for gross proceeds of \$1,624,000.

- Each June NFT Unit is comprised of one common share of the Company and one full non-transferable warrant, which is exercisable into one common share at a price of \$0.12 for a period of two years.

- Each June FT Unit is comprised of one flow-through common share of the Company and one half of one non-transferable warrant, which is exercisable into one common share at a price of \$0.14 for a period of two years.

Finder's fees totalling \$38,160 cash, 357,000 non flow-through finder's warrants, and 296,000 flow-through finder's warrants were paid and issued in connection with the private placement financing, each non flow-through and flow-through finder's warrant entitles the holder to purchase one common share of the Company at a price of \$0.08 and \$0.10, respectively, for a period of two years from closing.

In July 2018, the Company granted 3,990,000 stock options to certain officers, directors, consultants and employees of the Company for a term of five years exercisable at a price of \$0.09 per common share.

Summary of Properties

Exploration and Evaluation Properties

For the nine months ended May 31, 2018, the Company incurred exploration and evaluation expenditures of \$1,809,593 as compared to \$1,873,864 in the comparative period for 2017.

	Schefferville \$	Pinnacle Reef \$	Aspen \$	Stars \$	Palmetto \$	Total \$
Property acquisition costs	-	11,416	125,676	-	248,985	386,077
<i>Exploration expenditures:</i>						
Camp accommodation	-	21,297	-	-	-	21,297
Drilling	-	187,566	12,573	-	819,334	1,019,473
Equipment	-	13,910	-	-	-	13,910
Geological	-	74,078	45,990	-	280,247	400,315
Transportation	-	16,396	16,396	-	-	32,792
For the nine months ended May 31, 2017	-	324,663	200,635	-	1,348,566	1,873,864,

	Schefferville \$	Pinnacle Reef \$	Aspen \$	Stars \$	Palmetto \$	Total \$
Property acquisition costs	-	-	-	11,000	159,731	170,731
<i>Exploration expenditures:</i>						
Camp accommodation	2,027	-	-	-	-	2,027
Claim maintenance	8,800	-	-	-	-	8,800
Drilling	-	403,673	-	932,323	23,744	1,359,740
Equipment	-	27,874	-	-	-	27,874
Geological	-	18,025	2,547	143,050	64,764	228,386
Transportation	-	-	-	12,035	-	12,035
For the nine months ended May 31, 2018	10,827	449,572	2,547	1,098,408	248,239	1,809,593

The total cumulative acquisition and deferred exploration costs of the Company to May 31, 2018 are summarized as follows:

	Schefferville \$	Pinnacle Reef \$	Aspen \$	Stars \$	Palmetto \$	Total \$
Balance, August 31, 2016	1	454,540	23,750	-	-	478,291
Property acquisition costs	-	11,416	125,676	-	248,985	386,077
<i>Exploration expenditures:</i>						
Camp accommodation	-	21,297	-	-	-	21,297
Drilling	-	296,375	16,921	-	883,164	1,196,460
Equipment	-	15,724	-	-	-	15,724
Geological	-	206,635	45,990	-	337,631	590,256
Transportation	-	48,373	16,396	-	-	64,769
Total expenditures incurred	-	599,820	204,983	-	1,469,780	2,274,583
BC mineral exploration tax credit recoverable	-	(127,062)	-	-	-	(127,062)
Write-off of expenditures incurred	-	-	(48,750)	-	-	(48,750)
Balance, August 31, 2017	1	927,298	179,983	-	1,469,780	2,577,062
Property acquisition costs	-	-	-	11,000	159,731	170,731
<i>Exploration expenditures:</i>						
Camp accommodation	2,027	-	-	-	-	2,027
Claim maintenance	8,800	-	-	-	-	8,800
Drilling	-	403,673	-	932,323	23,744	1,359,740
Equipment	-	27,874	-	-	-	27,874
Geological	-	18,025	2,547	143,050	64,764	228,386
Transportation	-	-	-	12,035	-	12,035
Balance, May 31, 2018	10,828	1,376,870	182,530	1,098,408	1,718,019	4,386,655

The Schefferville Property:

Block 103

The Block 103 iron ore property covers 7,245 hectares within the Labrador Trough, 30 kilometres northwest of the mining town of Schefferville near the border of Quebec, Canada. Block 103 lies immediately north and parallel to Tata Steel/New Millennium Iron Corp.'s LabMag magnetite deposit and southeast of their KeMag magnetite deposit, which have a combined mineral resource of approximately 8 billion tonnes of measured and indicated resources and 2 billion tonnes of inferred resources. Block 103 is strategically located close to an existing railway that runs south linking to the shipping port of Sept Iles, Quebec.

Block 103 lies predominantly within the Schefferville Lithotectonic Zone, which includes the Greenbush Zone, however, the western edge of the claim block lies west of the Stakit Lake Fault in the Tamarack Lithotectonic Zone. The Tamarack Zone, which also hosts the LabMag and Kemag deposits, typically has only the one instance of the Sokoman Iron Formation with no thrust-fault repetition. The Schefferville Lithotectonic Zone is known in the extensive geological literature to host multiple shallow-east-dipping thrust fault that repeats the stratigraphy, including the iron oxide members of the Sokoman Formation. This fault-repetition creates the potential for significantly more tonnage per unit surface area, and these occurrences have been observed in the drilling results throughout the Greenbush Zone.

Greenbush Zone

The drilling program on Block 103's Greenbush Zone to date has enabled the Company to outline an area that hosts significant magnetite mineralization. The outlined area, called the Greenbush Zone, is underlain by a continuous magnetite bearing horizon (Sokoman Formation). (Refer to Greenbush Zone Map, which can be found at www.mlgoldcorp.com.)

On February 4, 2013, the Company released the results of the initial NI 43-101 mineral resource estimate on an area within the Greenbush Zone which was the primary focus of the 2012 exploration program. Watts, Griffis and McOuat ("WGM"), Consulting Geologists and Engineers of Toronto, Ontario estimated an inferred resource of 7.2 billion tonnes at 29.2% total iron (18.9% magnetic iron). This resource estimate is based on a cut-off grade of 12.5% magnetic iron (magFe%). The inferred resources cover an area with a strike length of approximately 4 kilometres (km) and a width of 2.5 km.

In September 2014, the Company entered into an agreement with Tata Steel Minerals Canada Limited ("TSMC") in respect of roadway access and direct shipping iron ore exploration over the Company's Schefferville property located in Western Labrador. Pursuant to the agreement, the Company agreed to assist TSMC in obtaining surface rights for a roadway through the property to connect adjoining properties of TSMC. TSMC would be solely responsible for all work, costs and expenses required to build the roadway and for continued use of roadway, including maintenance. Furthermore, TSMC also agreed on the following:

- Pay \$350,000 (received) to the Company on execution of the agreement;
- Incur \$450,000 of exploration costs as part of the Exploration Plan by no later than September 30, 2015 (incurred by TSMC)

TSMC had the right to advise the Company on or before September 30, 2015 that they could enter into a joint venture agreement in connection with the Schefferville property whereby both parties would negotiate in good faith for a period of 90 days. However, if TSMC did not wish to continue with the Exploration Plan or both parties could not agree on a joint venture agreement, TSMC would pay \$200,000 to the Company in full satisfaction of its exploration commitment.

In March 2016, the Company entered into a final settlement agreement with TSMC whereby the \$200,000 was paid to the Company in monthly installments from March 2016 through to August 2016.

In March 2016, the Company released the results of a ground gravity survey conducted by TSMC on the Company's Block 103 property. As an initial follow up on the recent ground gravity program in the summer of 2015 TSMC completed 3-diamond drill holes testing only one area on the eastern edge of the Block 103 property near the newly constructed access road. There was no DSO style mineralization intersected within the 3 drill holes conducted by TSMC, partially due to the fact that drilling was concentrated close to existing access and did not adequately test the best parts of nor all the targets.

Block 103-Greenbush Zone Initial NI 43-101 Resource Report

The Block 103 deposit is predominantly composed of magnetite and a process flowsheet based on progressive particle size reduction and magnetic separation, which is conventional and proven for this type of mineralization, is being developed. Based on laboratory test results, metallurgical performance for the operation has been projected as follows:

Magnetite Recovery	93.7%
Concentrate Iron Grade	70.0%
Concentrate Silica Grade	3.4%
Concentrate Liberation Size P100	75µ
Ore Hardness SMC (Axb) BWi (kWh/t at p80-32um)	37 15.5

These results are in line with similar deposits in the region. Results to date suggest that the concentrate that will be produced and that will feed the pelletizing plant will have the following chemical composition:

Fe	SiO ₂	Al ₂ O ₃	MgO	CaO	Na ₂ O	K ₂ O	Ti	Mn	P	Cr
70%	3.40%	0.08%	0.10%	0.11%	0.07%	0.01%	0.02%	0.046 %	0.006 %	0.02%

The aforementioned results are based on the northern and eastern sectors of the deposit and are deemed to reasonably represent the first thirty years of operation according to the mine development plan envisioned at this time.

Aspen Gold Property

The Aspen Property is located approximately 75 kilometers southwest of Vanderhoof, British Columbia, Canada, in the Omineca Mining Division. The property consists of 16 mineral claims totaling 7,450 hectares, whereas of the date of this report, all claims are owned in part or in whole, by ML Gold as outlined below.

The Company has entered into an agreement (the "First Agreement") with a company controlled by Andrew Bowering (the "First Optionor"), an officer and director of the Company, to purchase a 90% interest in 12 of the mineral claims comprising the Aspen property and covering an area of 5,537 hectares through the payment of cash. Whereby the First Optionor retains 10% interest that is carried to the point at which a bankable feasibility study, if any, is completed. Upon the completion of a bankable feasibility the company and the First Optionor have agreed to enter into a joint venture agreement. There are no royalties subjected upon the 90% interest of the 12 mineral claims purchased by ML Gold from the First Optionor under the First Agreement.

Additionally, the Company entered into an agreement (the "Second Agreement") with TTM Resources Inc. ("TTM") to purchase a 100% interest in three of the mineral claims comprising the Aspen property and covering an area of 1,874 hectares through the payment of cash and common shares in ML Gold. The purchase of these claims is subject to a 2% net smelter return royalty where the Company may, at any time, reduce the net smelter return royalty to 1% by paying the sum of \$500,000 to TTM.

The Aspen Gold Property is strategically located within the "Nechako Uplift" block identified by New Gold Inc. Recent airborne magnetic geophysical surveys completed by Geoscience BC (2014) have identified distinct ovoid magnetic response halos (~5km in diameter) representing granitic porphyry stocks proximal to both the Blackwater deposit and Aspen. Given the proximity of these stocks to the Blackwater, Capoose, and Chu deposits in the region, they are interpreted to have a first order control on the mineralization within the district. Aspen is ideally located on the margin of one of these two distinct halos, where the Blackwater deposit sits on the margin of the other. The property has high potential to host significant Au-Ag mineralization in a similar structural and geological setting as Blackwater.

Exploration in 2016 by the Company included a small soil sampling program resulting in the collection and analysis of 169 soil samples. The survey was successful in outlining a molybdenum-in-soil anomaly that measures 2000 m by 850 m, and remains open to the north, south and to the west.

Exploration in 2017 by the Company has included an induced polarization ("IP") geophysical survey program conducted in March of 2017, and consisted of 9 line kilometers in three separate lines. Results from the survey identified a large 1.1 kilometre chargeability anomaly with coincident resistivity in an area with minimal but highly anomalous silver in soil values. It is postulated that the new anomaly occurring completely within the Southern Block of the Aspen project could be related to Blackwater style mineralization. Additional soil samples are recommended to cover the area, followed by additional IP lines to close off the anomaly both to the north and south of the current reconnaissance IP line, followed by drill testing of the target.

Pinnacle Reef Property

In July 2016, the Company entered into a mineral property option agreement (the "Agreement") with Pacific Empire Minerals Corp. (the "Optionor") whereby ML Gold is granted the option (the "Option") to acquire up to a 70% interest in the Pinnacle Reef Property (the "Property"), 50 kilometres (km) northwest of the Mt. Milligan Copper-Gold mine in Central British Columbia.

The Pinnacle Reef Property consists of 24 mineral claims covering approximately 6,653 hectares within the prolific Quesnel Terrane in Central B.C. The Property is accessible by vehicle and within 50km of hydroelectric power and railway. Interest in the region has been renewed by increased metal prices and the recent acquisition of the Mt. Milligan mine by Centerra Gold Inc.

The Property encompasses multiple target areas within an approximately 6 by 7 kilometers anomalous chargeability area. Several areas identified have the potential to host significant copper-gold mineralization. Recent drilling by the Optionor in 2015 tested the highest chargeability area on the outskirts of one of the interpreted intrusive centers and intersected a pyrite dominated, lower temperature portion of a large hydrothermal system. The 2015 drilling included DD15ELB001 which intersected 94 meters grading 0.34 grams per tonne gold (BC Assessment Report # 35824). Additional drilling and analysis has led the Company to believe the areas targeted during the 2016 drilling program are occurring on the margin of a large porphyry system. ML Gold plans to use the alteration patterns identified in recent and historic drilling, paired with the previously un-modeled geophysics purchased in January 2017, to target higher temperature mineral assemblages commonly associated with copper-gold mineralization. This newly identified "donut" target zone, covered by a thin veneer of glacial material, is represented by a large halo of IP chargeability, moderate resistivity and magnetic highs, and is approximately 3,000 metres to the northwest of the previous drilling.

The Company completed a deep-sensing IP survey to image beneath the 2km wide “donut” prior to conducting a follow-up drilling program during the 2017 field season. Based on the positive results from the deep sensing IP survey the Company elected to complete a drilling program in July and August of 2017. Drilling consisted of 5 holes from 3 separate pad locations, and was confined to the targeting the southern portion of the donut anomaly. Almost all holes intersected significant and wide spread propylitic - quartz – epidote - pyrite dominated veining and alteration, however no significant copper mineralization was intersected. Currently the Company is evaluating options to test additional area within these large wide spread chargeability anomalies that remain untested under glacial till cover.

Under the terms of the Agreement, the Company can earn a 51% interest in the Property over a four year option term by completing \$2,000,000 in exploration expenditures on the Property and issuing 1,000,000 common shares of ML Gold as follows:

Expenditure deadline	Expenditure requirement (\$)	Share issuance requirement
July 28, 2017	(completed) 150,000	-
July 28, 2018	(completed) 250,000	200,000
July 28, 2019	600,000	300,000
July 28, 2020	1,000,000	500,000
Total Requirement	2,000,000	1,000,000

Upon completion of the 51% earn-in, ML Gold can earn an additional 19% interest in the Property, bringing the total interest to 70%, by issuing an additional 500,000 common shares and incurring a further \$3,000,000 in property expenditures within two years.

If and when ML Gold earns an interest, either 51 or 70 percent, ML Gold and the Optionor will enter into a joint venture on standard industry terms.

Palmetto Project

In October 2016, the Company entered into an option agreement (the "Option Agreement") to acquire a 100% right, title and interest to a total of 30 unpatented mining claims (the "Palmetto Project"). The Palmetto Project is located in Esmeralda County, Nevada, within the southern portion of the Walker Lane gold trend.

The Project is being vended by four optionors (the "Vendors"). The option (the "Option") to acquire the Palmetto Project from the Vendors may be exercised by the Company as follows:

Payment Date	Cash payment (US\$)
October 15, 2016	(paid) 50,000
December 14, 2016	(paid) 100,000
March 16, 2018	(paid) 90,000
March 4, 2019	100,000
March 3, 2020	100,000
March 4, 2021	1,000,000
Total Requirement	1,440,000

(the payments above, collectively, equal the "Option Exercise Price").

Upon payment of the full Option Exercise Price, the Company will have acquired the Palmetto Project free and clear of any royalties.

The Option Agreement contains other customary terms including the right of the Company to act as Operator on the Palmetto Project prior to exercise and a right of first refusal granted to the Company by the Vendors on additional unpatented mineral claims that the Vendors acquire within one (1) US mile of the Palmetto Project.

The property includes two significant gold mineralized areas, the "Discovery Zone" and the "Northwest Zone". The Discovery Zone is at least 800 meters long and over 100 meters wide in areas, where the Northwest Zone historically is overlooked (minimal drilling) and is completely open in all directions. The main mineralization on the property is thought to be low sulphidation epithermal gold – silver style which appears to be concentrated along steeply dipping structures, but also "leaks" or diffuses along certain preferential bedding contacts and or horizons. Historically significant work has been conducted on the property since its discovery in 1989 by Phelps Dodge mining company. Since then, the project has seen minimal work and as such a proper resource calculation was never completed. In early 2017, the Company is planning and implementing a drilling program including up to 15 holes which will allow a first ever resource to be calculated on the property. ML Gold Corp has contracted the independent engineering firm WSP Canada Inc to complete a maiden resource which will incorporate the new drilling and is expected to be completed near the end of this coming field season. As part of the resource calculation, WSP will produce a NI 43-101 compliant report which will include the new anticipated drilling results and also include and summarize all the historical work on the property.

On October 2, 2017, the Company announced a maiden National Instrument 43-101 ("NI 43-101") Inferred Resource Estimate for the project of 10.1 million tonnes grading 0.95 g/t Au, and 7.29 g/t Ag (**1.05 g/t AuEq**) containing 310,000 ounces of gold, and 2.4 million ounces of silver for a total of 342,000 AuEq ounces in a pit constrained shell. Beneath the pit constrained resource, there is an initial underground inferred resource, completely open to depth and along strike, at 3.6 g/t Au and 10.8 g/t Ag (3.74 g/t AuEq) for an additional 11,753 AuEq ounces, giving a total **maiden inferred resource of 353,435 AuEq ounces**.

Table 1 - Palmetto Constrained Resource Statement with cut-off @ 0.14 g/t AuEq for Pit and 2g/t AuEq for Underground (U/G)

Classification	Tonnes (000s)	Au g/t	Ag g/t	AuEq g/t	Au oz	Ag oz.	AuEq oz.
Inferred (Pit)	10,134	0.95	7.29	1.05	310,360	2,374,120	341,720
Inferred (U/G)	98	3.6	10.8	3.74	11,305	33,910	11,755
Total Inferred					321,665	2,408,030	353,475

Stars Property

In November 2017, the Company signed two separate option agreements for options to acquire up to an 80% interest in a total of 2,136 Hectares of prospective mining claims in the Omineca Mining Division located in north central British Columbia, approximately 40 kilometres south - southwest of Houston (collectively, the "Stars Property").

The Stars Property is located 60 kilometres to the north of Imperial Metals Huckleberry mine. ML Gold's Stars Property is host to wide spread chargeability anomalies and significant copper-gold-silver mineralization outcropping at surface. The Stars Property is underlain by Lower Jurassic volcanics, and Lower Cretaceous Skeena Group sediments that are intruded by variably mineralized Late Cretaceous intermediate to felsic Bulkley Suite intrusive rocks.

The Stars Property is fully permitted for drilling on two main zones that were first discovered in the late 1990's when new logging roads were being constructed in the area. Since then mineralization has been confirmed in shallow drilling, and consists predominately of quartz sulphide veins containing chalcocite, bornite, chalcopyrite, and pyrite in intensely altered host volcanic rocks. The outcropping mineralization, especially at the Road Zone, is interpreted to be high level porphyry style mineralization evident from euhedral chalcocite crystals with intense muscovite replacement in the wall rock. It is possible that this zone is immediately above or proximal to an enriched copper porphyry zone and that the two adjacent zones identified on surface on the property join at depth in a higher grade zone. Rock samples from the Road Zone assayed up to 3.3% Copper, 0.2 g/t Gold, and 12.2 g/t Silver. The chargeability anomalies were identified on the property by a Hunter Dickinson Group company in 2000 and are at least 3 kilometres x 3 kilometres across and open to the north, south, and east.

The first agreement (the "First Agreement") is with Pacific Empire Minerals Corp., an arm's length party which currently owns 50% of the Stars Property. Under the terms of the First Stars Agreement, the Company has the option to earn up to a 30% interest in the Stars Property by completing the following:

	Cash payment (\$)	Common shares	Expenditures (\$)
Upon TSX-V approval – June 5, 2018	(paid) 10,000	(issued) 100,000	-
On or before June 5, 2019	20,000	200,000	(incurred) 500,000
On or before June 5, 2020	50,000	300,000	1,000,000
On or before June 5, 2021	-	-	3,000,000
Total Requirement	80,000	600,000	4,500,000

The second agreement (the "Second Agreement") is with Divitiae Resources Ltd. a non-arms-length party owned by Adrian Smith, P. Geo, a director of the Company, which currently owns 50% of the Stars Property. Under the terms of the Second Agreement, the Company has the option to earn up to an additional 50% interest in the Stars Property by completing the following:

	Cash payment (\$)	Common shares
Upon TSX-V approval – June 5, 2018	(paid) 10,000	(issued) 200,000
On or before June 5, 2019	20,000	400,000
On or before June 5, 2020	50,000	300,000
On or before June 5, 2021	50,000	1,000,000
Total Requirement	130,000	1,900,000

ML Gold can earn a total of 80% interest in the Stars Property by fully exercising the options in the First Agreement and the Second Agreement as outlined above.

During the second quarter of 2018, the Company has begun drilling a first phase program totaling 2,200 metres designed to test zones described above on the Stars property.

On February 28, 2018, the Company announced a new discovery on its Stars project where hole 4 (DD18SS004) has intersected 0.45% Copper (0.50% CuEq) over 204 metres (m) including 1.02% CuEq (0.93% Cu) over 40.2m from surface.

Preliminary Drillhole Results

HoleID	From (m)	To (m)	Interval (m)	Cu (%)	Au (g/t)	Ag (g/t)	Mo (%)	CuEq (%)
DD18SS004	23.47	227.69	204.22	0.45	0.045	1.64	0.0048	0.50
incl	26.52	66.72	40.20	0.93	0.092	3.27	0.0047	1.02
further incl.	64.92	66.72	1.80	10.29	1.065	31.85	0.0737	11.35
and incl.	115.76	117.20	1.43	8.33	1.361	8.83	0.1741	9.62
DD17SS001	35.66	297.79	262.13	0.11	0.013	0.39	0.0033	0.13
DD17SS002	26.52	252.07	225.55	0.10	0.007	0.37	0.0026	0.11
incl	249.02	252.07	3.05	1.05	0.020	1.86	0.0007	1.08
DD18SS003	23.47	188.06	164.59	0.13	0.013	0.39	0.0032	0.15
DD18SS005	<i>Results Pending</i>							
DD18SS006	<i>Results Pending</i>							

** CuEq calculated using following metal prices: Cu @ \$3.19/lb, Au @ \$1330/oz, Ag @ \$16.60/oz, Mo @ \$7.26/lb (all price in \$US)

***True widths are unknown at this time.

Hole 4 (DD18SS004) was drilled on the eastern flank of the newly identified magnetic ring structure (see Figure 1). The mineralization in hole 4 consists predominantly of chalcopyrite mineralization and likely does not represent the potassic core of a system, but does indicate the potential for significant copper endowment in the core of the system (yet to be drilled). The style of mineralization observed (massive chalcopyrite veins with secondary biotite halos overprinted by chlorite) suggests the high-grade copper mineralization is being ejected further out from the potassic core indicating that there could be multiple zones similar to that encountered in Hole 4 elsewhere on the property.

Holes 1 through 3 (DD17SS001, DD17SS002, DD18SS003) show copper grades that are consistent with what can be expected adjacent to a copper rich potassic zone, and display a clear zonation of decreasing sulfidation state and increasing temperature indicating that the highest potential area for the potassic core of the porphyry system is just to the west of this area. This is further supported by the recent magnetic survey and preliminary observations from holes 5 and 6.

On April 9, 2018, the Company resumed the drilling program which was designed to test magnetic various magnetic targets within the recently identified (approximately 1 kilometer in diameter) Central target area and expand the newly discovered Zone 4 where ML Gold's recent drill hole DD18SS004 intersected 204 meters at 0.5% copper equivalent from surface.

Phase 1 Drilling Targets at Stars Project:

- Central Area – a broad (approximately one-kilometer diameter) newly identified circular magnetic low area with several inlying circular magnetic high anomalies. The Central area is interpreted as a hydrothermal cell associated with a porphyry system and has the potential to host the core of said system.
- Zone 4 – a newly discovered zone identified on the margin of the main intrusion where mineralization has been identified in both the volcanic and intrusive rocks. Zone 4 shows significant similarities to the mineralization style and setting of the Huckleberry mine 60 kilometres to the south, where the primary ore body is located marginal to and not within the intrusion.

Based on a successful Phase 1 drilling program, a Phase 2 program is being proposed to begin immediately at the Stars property. The Phase 2 Drilling will continue to target copper mineralization within predominantly untested, large (1 kilometer by 700 metre) Induced Polarization (IP) chargeability anomaly as part of the Zone 4 target area. The Company has received drilling permits and anticipates a Phase 2 drilling to begin in mid-July 2018. Phase 2 will focus on drilling from new sites regularly spaced on pre-defined grid layout.

Quality Control and Quality Assurance

The scientific and technical content and interpretation contained in this MD&A have been reviewed, verified and approved by Adrian Smith, P. Geo., B.Sc., a Qualified Person as defined by NI 43-101, Standards of Disclosure for Mineral Projects.

Overall Performance

Operating expenses for the nine months ended May 31, 2018 were \$975,019 versus \$1,505,876 in the comparative period ended May 31, 2017. The lower operating expenses is partly the result of the decrease in some corporate activities which led to lower operating expenses in office and administration, property investigation costs, share based compensation, and travel and related.

The total net decrease in cash during the nine months ended May 31, 2018 was \$111,824 compared to an increase of \$459,220 in the comparative period ended May 31, 2017. The Company experienced a decrease in cash which was the result of cash outflows from operating activities of \$761,875 and exploration expenditures of \$1,649,591, and share issuance costs of \$27,949, but the decrease was offset partially by closing the Company's private placements in December 2017. The increase in cash in the prior period was the result of closing the Company's private placements in November 2016, but the increase was offset partially by cash outflows from operating activities of \$541,635, exploration expenditures of \$2,134,455, and share issuance costs of \$74,076.

Results of Operations

The following table sets forth selected financial information from the Financial Statements for the nine months ended May 31, 2018 and 2017:

	For the three months ended May 31,		For the nine months ended May 31,	
	2018 \$	2017 \$	2018 \$	2017 \$
Expenses				
Consulting fees	257,570	176,252	423,083	399,172
Depreciation	1,370	1,921	4,111	5,761
Investor relations	11,514	6,299	82,241	33,266
Office and administration	36,648	53,017	116,401	133,684
Professional fees	8,219	16,954	38,179	40,137
Property investigation costs	-	-	-	11,200
Share-based compensation	-	521,700	293,800	856,413
Travel and related	9,119	11,712	17,204	26,243
	<u>324,440</u>	<u>787,855</u>	<u>975,019</u>	<u>1,505,876</u>

As an exploration company, the Company has yet to generate any revenue from its planned operations and has, to date, incurred annual net losses from operating and administrative expenses.

The table below details the changes in major expenditures for the three months ended May 31, 2018 as compared to the corresponding period ended May 31, 2017.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Increase of \$81,318	Increased as the Company increased the number of consultants for developing marketing.
Share-based compensation	Decrease of \$521,700	Decreased as no stock options granted during the current period.

The table below details the changes in major expenditures for the nine months ended May 31, 2018 as compared to the corresponding period ended May 31, 2017.

Expenses	Increase / Decrease in Expenses	Explanation for Change
Consulting fees	Increase of \$23,911	Increased as the Company increased the number of consultants for developing marketing.
Investor relations	Increase of \$48,975	Increased due to higher costs of advertising materials.
Property Investigation costs	Decrease of \$11,200	Decreased as no property investigation costs incurred in the current period.
Share-based compensation	Decrease of \$562,613	Decreased as fewer stock options were granted in the current period, and were estimated with a lower value.

Quarterly Information

	Three Months Ended			
	May 31, 2018	Feb 28, 2018	Nov 30, 2017	Aug 31, 2017
	\$	\$	\$	\$
Revenue	-	-	-	-
Loss and comprehensive loss	(324,440)	(488,541)	(114,152)	(240,538)
Basic and diluted loss per share	(0.00)	(0.01)	(0.00)	(0.00)

	Three Months Ended			
	May 31, 2017	Feb 28, 2017	Nov 30, 2016	Aug 31, 2016
	\$	\$	\$	\$
Revenue	-	-	-	-
Loss and comprehensive loss	(787,855)	(282,278)	(452,083)	(159,099)
Basic and diluted loss per share	(0.01)	(0.00)	(0.01)	(0.00)

Variances quarter over quarters can be explained as follows:

- During the quarter ended February 28, 2018, the Company recorded share-based compensation of \$293,800 and recognized a reversal of flow-through premium liability of \$47,886.
- During the quarter ended August 31, 2017, the Company recognized an impairment relating to exploration and evaluation properties of \$48,750.
- During the quarter ended May 31, 2017, the Company recorded share-based compensation of \$521,700.
- During the quarter ended February 28, 2017, the Company recorded share-based compensation of \$29,680.
- During the quarter ended November 30, 2016, the Company recorded share-based compensation of \$305,033.

Liquidity and Capital Resources

The Company is not in commercial production on any of its properties and accordingly, the Company does not generate cash from operations. The Company finances its exploration activities by raising capital from equity markets from time to time.

The Company's liquidity and capital resources at the following dates are as follows:

	May 31, 2018	August 31, 2017
	\$	\$
Cash	505,516	617,340
GST receivable	39,957	21,135
Prepaid expenses	214,601	18,533
Total current assets	760,074	657,008
Accounts payables and accrued liabilities	638,838	348,713
Flow-through premium liability	213,027	47,886
Working capital (deficit)	(91,791)	260,409

The Company has financed its operations to date through the issuance of common shares. The Company seeks to raise capital through various means including the issuance of equity and/or debt.

As at May 31, 2018, the Company had a working capital deficit of \$91,791 compared to a working capital surplus of \$260,409 as at August 31, 2017 and a cash position of \$505,516 (August 31, 2017 - \$617,340). During the nine months ended May 31, 2018, the Company's working capital position decreased by \$352,200 mainly due to exploration and evaluation expenditures of \$1,649,591 and other operating expenses, but offset by the completion of a private placement financing through the issuance of 5,841,600 non flow-through units at a price of \$0.10 per unit and 5,482,077 flow-through units at a price of \$0.13 per unit for a total gross proceeds of \$1,296,830. In the comparative period ended May 31, 2017, the Company improved its working capital position with the completion of a private placement financing through the issuance of 18,500,000 units at a price of \$0.12 per unit for gross proceeds of \$2,220,000.

The Company does not currently have any revenue generating assets or operations. The Company will require additional financial resources to explore, quantify and develop its exploration and evaluation assets. The continued operations of the Company and the recoverability of the amounts reported for resource property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete exploration and development programs, and upon future profitable production.

Related Party Transactions

During the nine months ended May 31, 2018, the Company entered into the following transactions with related parties, not disclosed elsewhere in the Financial Statements:

- i. Incurred exploration and evaluation asset expenditures of \$1,223,216 (August 31, 2017 - \$338,973) and property investigation costs of \$nil (May 31, 2017 - \$11,200) to Sunrise Drilling Ltd., a company controlled by Andrew Bowering, Adrian Smith, and Kosta Tsoutsis, an officer and director, the president and director, and a director of the Company, respectively. Included in accounts payable and accrued liabilities at May 31, 2018 is \$215,951 (August 31, 2017 - \$10,000) owing to this company.
- ii. Incurred exploration and evaluation asset expenditures of \$39,706 (August 31, 2017 - \$84,560) and consulting fees of \$86,000 (February 28, 2017 - \$37,000) to Divitiae Resource Ltd., a company controlled by Adrian Smith, a director and President of the Company. Included in accounts payable and accrued liabilities at May 31, 2018 is \$19,269 (August 31, 2017 - \$46,758) owing to this company.
- iii. Paid or incurred exploration and evaluation asset expenditures of \$6,126 (August 31, 2017 - \$5,000) and consulting fees of \$135,000 (May 31, 2017 - \$nil) to Bowering Projects Ltd., a company controlled by Andrew Bowering, a director of the Company. As at May 31, 2018, \$267,750 (August 31, 2017 - \$126,000) was included in accounts payable and accrued liabilities owing to this company.
- iv. As at May 31, 2018, \$7,975 (August 31, 2017 - \$nil) was included in accounts payable and accrued liabilities owing to Adrian Smith, a director and President of the Company.
- v. As at May 31, 2018, \$nil (August 31, 2017 - \$7,157) was included in accounts payable and accrued liabilities owing to Andrew Bowering, a director of the Company.
- vi. Paid or incurred consulting fees of \$27,000 (May 31, 2017 - \$25,500) to Brian Morrison, a director of the Company. As at May 31, 2018, \$17,325 (August 31, 2017 - \$3,150) was included in accounts payable and accrued liabilities owing to Mr. Morrison.
- vii. Paid or incurred consulting fees of \$37,500 (May 31, 2017 - \$nil) to Kosta Tsoutsis, a director of the Company.
- viii. Incurred rent expense of \$33,000 (May 31, 2017 - \$45,000) to Millennial Lithium Corp., a company related by way of a common director.

Summary of key management personnel compensation:

	For the nine months ended May 31,	
	2018	2017
	\$	\$
Consulting fees	285,500	62,500
Share-based compensation	154,245	518,776
	439,745	581,276

The following amounts were incurred with respect to officers, directors and companies controlled by officers and directors:

	For the nine months ended May 31,	
	2018	2017
	\$	\$
Exploration and evaluation property expenditures	1,269,048	311,083
Property investigation costs	-	11,200
Rent	33,000	45,000
	1,302,048	367,283

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including directors (executive and non-executive) of the Company.

Off Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of the Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the audited financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

The most significant accounts that require estimates as the basis for determining the stated amounts include the recoverability of exploration and evaluation assets, valuation of share-based compensation, and recognition of deferred tax amounts.

Critical judgments exercised in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Economic recoverability and probability of future economic benefits of exploration and evaluation assets

Management determined exploration, evaluation, and related costs incurred which are capitalized may have future economic benefits and may be economically recoverable. Management uses several criteria in its assessments of economic recoverability and probability of future economic benefits including, geologic and other technical information, a history of conversion of mineral deposits with similar characteristics to its own properties to proven and probable mineral reserves, the quality and capacity of existing infrastructure facilities, evaluation of permitting and environmental issues and local support for the project.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in material adjustments are as follows:

Valuation of share-based compensation

The Company uses the Black-Scholes Option Pricing Model for valuation of share-based compensation. Option pricing models require the input of subjective assumptions including expected price volatility, interest rate, and forfeiture rate. Changes in the input assumptions can materially affect the fair value estimate and the Company's earnings and equity reserves.

Income taxes

In assessing the probability of realizing income tax assets, management makes estimates related to expectation of future taxable income, applicable tax opportunities, expect timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified.

Accounting pronouncements not yet adopted

The Company has adopted the following accounting standards effective September 1, 2017 which have no significant impact on the condensed interim consolidated financial statements.

- Amendments to IAS 12, Income Taxes
- Amendments to IAS 7, Statement of Cash Flows

A number of new standards, amendments to standards and interpretations applicable to the Company are not yet effective for the nine months ended May 31, 2018 and have not been applied in preparing these condensed interim consolidated financial statements:

IFRS 9 – Financial Instruments: Applies to classification and measurement of financial assets and liabilities as defined in IAS 39. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

IFRS 16 – Leases: On January 13, 2016, the IASB issued the final version of IFRS 16 Leases. The new standard will replace IAS 17 Leases and is effective for annual periods beginning on or after January 1, 2019. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applying IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less) and leases of low-value assets. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration: addresses how to determine the 'date of the transaction' when applying IAS 21. It is effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

IFRIC 23 – Uncertainty Over Income Tax Treatments: clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. It is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted. Management does not anticipate this standard having a material effect on the Company's condensed interim consolidated financial statements.

Financial Instruments and Financial Risk Management

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. 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.

The Company's financial instruments consist of cash, GST receivable and accounts payable and accrued liabilities. The fair value of these financial instruments, other than cash, approximates their carrying values due to the short-term nature of these instruments. Cash is measured at fair value using level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

a) Currency risk

The Company conducts exploration and evaluation activities in the United States. As such, it is subject to risk due to fluctuations in the exchange rates for the Canadian and US dollars. As at May 31, 2018, the Company does not have significant net assets or liabilities in US dollars, therefore, the Company has determined that there is very limited currency risk at this time.

b) Credit risk

Credit risk is risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's cash is held in large Canadian financial institutions and GST receivable is due from the Government of Canada. The Company's financial instrument related to the GST receivable is not exposed to significant credit risk.

c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to limited interest rate risk as it only holds cash.

d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they come due. The Company's ability to continue as a going concern is dependent on management's ability to raise the required capital through future equity or debt issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning, and approval of significant expenditures and commitments.

e) Commodity price risk

The ability of the Company to explore and evaluate its exploration and evaluation properties and the future profitability of the Company are directly related to the price of gold. The Company monitors iron and gold prices to determine the appropriate course of action to be taken.

Risks and Uncertainties

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking information relating to the Company.

Liquidity Concerns and Future Financings

The Company will require significant capital and operating expenditures in connection with the development of its properties. There can be no assurance that the Company will be successful in obtaining required financing as needed. Volatile markets may make it difficult or impossible for the Company to obtain debt financing or equity financing on favorable terms, if at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone or slow down its development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its activities.

While the Company's financial statements have been prepared on the basis of a going concern which contemplates the realization of assets and satisfaction of liabilities in the normal course of operations, there are conditions and events that may cast doubt about the validity of that assumption.

No Revenues

To date the Company has recorded no revenues from operations and the Company has not commenced commercial production or development on any property. There can be no assurance that significant losses will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in subsequent years in relation to the engagement of consultants, personnel and equipment associated with advancing exploration, development and commercial production of the Company's properties. The Company expects to continue to incur losses for the foreseeable future. The development of the Company's properties will require the commitment of substantial resources to conduct time-consuming exploration. There can be no assurance that the Company will generate any revenues or achieve profitability.

Mineral Resource and Mineral Reserve Estimates May be Inaccurate

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves, including many factors beyond the control of the Company. Such estimates are a subjective process, and the accuracy of any mineral resource or mineral reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position and results of operations.

Nature of Mining, Mineral Exploration and Development Projects

Mining operations generally involve a high degree of risk. The Company's operations are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable mineral reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of mineral resources or mineral reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore. Exploration and development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, reserve and resource estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geologic data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, there have been a number of mining operations that have ceased or been suspended or delayed because operations costs are greater than projected. Current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production often can occur.

Title to Properties

The acquisition of title to resource properties is a very detailed and time-consuming process. The Company holds its interest in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest, which, if successful, could result in the loss or reduction of the Company's interest in the properties.

Licenses and Permits, Laws and Regulations

The Company's exploration and development activities, including mine, mill, road, rail and other transportation facilities, require permits and approvals from various government authorities, and are subject to extensive federal, provincial, state and local laws and regulations governing prospecting, development, production, exports, taxes, labour standards, occupational health and safety, mine safety and other matters. Such laws and regulations are subject to change, can become more stringent and compliance can therefore become more costly. In addition, the Company may be required to compensate those suffering loss or damage by reason of its activities. There can be no guarantee that the Company will be able to maintain or obtain all necessary licenses, permits and approvals that may be required to explore and develop its properties, commence construction or operation of mining facilities.

Environmental

The Company's activities are subject to extensive federal, provincial state and local laws and regulations governing environmental protection and employee health and safety. Environmental legislation is evolving in a manner that is creating stricter standards, while enforcement, fines and penalties for non-compliance are also increasingly stringent. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations. Further, any failure by the Company to comply fully with all applicable laws and regulations could have significant adverse effects on the Company, including the suspension or cessation of operations.

Iron Ore and Gold Prices

The profitability of the Company's operations will be dependent upon the market price of mineral iron ore and gold. Iron ore and gold prices fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of interest rates, the rate of inflation, the world supply of iron ore and gold along with the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of iron ore and gold has fluctuated widely in recent years, and future price declines could cause commercial production to be impracticable, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

Uninsured Risks

The Company maintains insurance to cover normal business risks. In the course of exploration and development of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including explosions, rock bursts, cave-ins, fire and earthquakes may occur. It is not always possible to fully insure against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could result in significant liabilities to the Company and increase costs of projected.

Competition

The Company competes with many other mining companies that have substantially greater resources than the Company. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

Dependence on Outside Parties

The Company has relied upon consultants, engineers and others, and intends to rely on these parties for development, construction and operating expertise. Substantial expenditures are required to establish mineral reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Share Price Fluctuations

The market price of securities of many companies, particularly exploration stage companies, experience wide fluctuations in price that are not necessarily related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that fluctuations in the Company's share price will not occur.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

Outstanding Share Data

As of the date of this MD&A, the Company has:

- a) 107,222,763 common shares outstanding;
- b) 31,844,542 warrants outstanding with eight tranches as shown below:

Exercise Price	Number Outstanding	Expiry Date
\$		
0.09	208,333	August 31, 2018
0.20	6,487,500	November 28, 2018
0.18	2,845,409	December 28, 2019
0.15	5,887,800	December 28, 2019
0.12	12,737,500	June 26, 2020
0.08	357,000	June 26, 2020
0.14	3,025,000	June 26, 2020
0.10	296,000	June 26, 2020
	<u>31,844,542</u>	

As at May 31, 2018, the weighted average life of warrants outstanding was 1.11 years.

- c) 10,695,000 stock options outstanding and exercisable with seven tranches as shown below.

Exercise Price	Number Outstanding and Exercisable	Expiry Date
\$		
0.08	175,000	June 5, 2018
0.05	205,000	October 20, 2019
0.10	1,825,000	September 2, 2021
0.22	2,000,000	March 14, 2022
0.22	500,000	March 20, 2022
0.11	2,000,000	January 11, 2023
0.09	3,990,000	July 20, 2023
	<u>10,695,000</u>	

As at May 31, 2018, the weighted average life of share options outstanding was 3.72 years.

Cautionary Statement on Forward Looking Information

Certain statements in this document contain "forward-looking information" within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, statements with respect to the development potential of the Company's properties; the future price of iron ore and other minerals; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or 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". Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. There can be no assurance that such information 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 information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

Other MD&A Requirements

Additional information relating to the Company may be found on SEDAR at www.sedar.com including, but not limited to:

- the Company's condensed interim consolidated financial statements for the three and nine months ended May 31, 2018; and
- the Company's audited financial statements for the years ended August 31, 2017 and 2016.

This MD&A has been approved by the Board effective July 30, 2018.